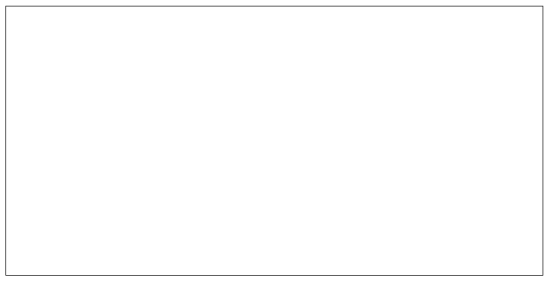
Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

~~CONFIDENTIAL~~

REPORT OF THE CENTRAL INTELLIGENCE AGENCY

HUMAN RESOURCE TASK FORCE

25X1



~~CONFIDENTIAL~~

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

25X1
Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Page Denied

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

CONTENTS

	PAGE
CHAPTER 1 - CIA Personnel Strategy for the 1990s	1
The Dialectic Between Myth and Reality	1
System Deficiencies	2
Future Challenges	2
What We Propose	3
I. Organizational Development	4
A. Management Responsibility, Authority & Accountability	4
B. Integrated Human Resource System to Support Line Managers	4
C. Human Resources Planning	4
II. Career Development	5
A. Dual Tracks for Managers and Experts	5
B. Promotions	6
C. Training for the Intelligence Professional	6
III. Compensation	7
IV. Rebuilding the Psychological Contract	8
V. The Total Program	9
CHAPTER 2 - Agency Strengths, Weaknesses & Challenges	11
The Agency's Strengths	11
Organizational Weaknesses - The Downside of Can-Do	12
Can We Continue to Live on Can-Do?	14
The Changing Environment: Future Demands on the Agency	15
Congressional Oversight and the Fear of Failure	15
The New Generation	16
Reduced Desirability of Federal Employment	16
Meeting Increased Challenges with Constant or Decreasing Budgets	17
The Leadership Transaction	17
The Challenge of Remaining Technologically Relevant	17
CHAPTER 3 - A Strategy for Implementing the New Human Resource System	19
I. Organizational Development	19
A. Management Authority, Responsibility and Accountability	19
B. Integrated Human Resource Support to Line Managers	20
C. Human Resource Planning	22
II. Career Development	23
A. Career Paths	23
1. Expert Tracks	24
2. Management Tracks	24
B. Skills-Based Promotion	26
C. Training	27

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

CONTENTS (cont'd)

	PAGE
III. Compensation	29
A. Internal Equity	30
B. External Equity	30
C. Pay-for-Performance	30
D. Incentive Awards	32
E. SIS Pay-for-Performance	32
F. SIS Total Compensation	32
G. SIS Ceiling	33
H. Individual Compensation Packages	33
IV. Rebuilding the Psychological Contract	34
A. Improved Communications	34
B. Seeking Employee Feedback	35
C. Addressing Employee Concerns	36
V. Conclusion	37
APPENDIX A - Some Recurrent Personnel Management Issues as Seen Through the Inspection Process	A-1
Introduction	A-1
Management	A-1
Career and Personnel Development	A-5
APPENDIX B - Draft Timetable for Implementation	
APPENDIX C - Employee Generated Initiatives	C-1
Introduction	C-1
Table of Contents	C-2
Initiatives	C-3/C-21

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

CHAPTER 1

CIA PERSONNEL STRATEGY FOR THE 1990s

In February, 1986, a task force consisting of senior representatives from each Career Service was assembled and charged with evaluating the degree to which our current human resource management structure will support the Agency's ability to meet the challenges we face now and over the next decade and, as necessary, developing a human resource strategy to improve this capability. This required a comprehensive examination of all the issues affecting Human Resource Management--culture, organization, compensation, career development, benefits, training, evaluation, recruitment, motivation, retention, etc.

Over the course of our study we conducted historical research, spoke with more than a thousand Agency employees, and explored current issues of human resource management with professionals and practitioners in the private and public sectors. We sought to determine the extent to which emerging trends in demographic, economic, political, and sociological arenas will dictate adjustments in CIA's organization, policies, practices, and procedures.

Our findings indicate that our present personnel structure is more an accretion of policies and procedures created to meet needs as they arose than an integrated human resource management system designed for managing our most valuable resource, our people. If we are to be prepared for the 1990s, we need an integrated system that reflects the latest advances in the field and anticipates the unique challenges this Agency will face in the future, reinstills our sense of "family," and increases the effectiveness of our people.

The Dialectic Between Myth and Reality

Every successful organization has a belief system, a culture that defines its place in the universe and that encourages people to want to become and remain a part of that organization. In our investigations, we discovered three commonly held beliefs:

First, our people believe that we are the best intelligence organization in the world. We are apolitical but we are policy relevant.

Second, we believe that our people are our most important resource. We try to attract the best people we can find. We have a sense of family and take care of our own. We are a meritocracy: we believe that the individual makes a difference; we value the virtuoso performer and reward those who produce.

And third, we are a can-do organization. We pride ourselves on our ability to do the job and meet the challenge. We are forward-leaning, flexible, and less bureaucratic than other government organizations.

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Too often, however, our human resource system and our personal actions are inconsistent with these beliefs, causing a dissonance that can have substantial negative effects on both productivity and morale. Chapter Two of this report summarizes our findings in this area. In addition to our efforts, we asked the IG Staff to conduct an independent review of its recent surveys. Those findings are reported in Appendix A.

System Deficiencies

In examining our current human resource system, we were forced to conclude that, despite its many strengths, it will not be effective in addressing our long-term needs. It has not facilitated, for example:

-- Human resource planning to identify skill requirements in sufficient time to make significant adjustments to the recruitment and training systems.

-- Integration of personnel needs with mission requirements and program goals so that the staffing implications of programmatic decisions are clearly understood.

-- Compensation recognition of Agency unique and occupation specific requirements that differentiate us from the rest of government and private industry.

-- Well designed salary and benefit options for midcareer and second career employees and for dual-career families.

-- An organizational structure that encourages and rewards broadening expertise, for example, through lateral experiential assignments that cross component and discipline lines.

-- Early identification of, and training for, people with managerial potential and clear accountability and rewards for managerial competence.

These deficiencies take on added significance as we look to the future.

Future Challenges

Our investigation of demographic, economic, sociological, and political trends identified the following as areas of concern as we try to make more effective and efficient use of our human resources in the future:

-- The Agency's mission has expanded. The intelligence issues we deal with are different from and far more complex than those we tackled in the past. In addition to the more traditional recipients of intelligence information, the number of our consumers has grown to include such elements as the Departments of Energy, Treasury, and Commerce; NASA; the Arms Control negotiators; the Special Trade Representatives; and the Joint Economic Committee of Congress.

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

-- Accomplishment of our mission requires teams of experts from a variety of analytical and collection fields, each contributing special skills and knowledge. We already face keen competition for these highly skilled, educated, and talented people. We also find it difficult to get the ethnic and linguistic mix essential to our business.

-- We expect the competition to intensify in the next few years as the number of highly skilled jobseekers decreases. Without the competition of the postwar baby boom generation, most of whom are already employed, the much smaller successor generation can afford to be quite selective. Enterprises able to court this generation with sizable pay and benefits packages are likely to siphon off the most attractive candidates. This problem affects both recruitment and retention.

STAT

-- Once on board and possessing specialized clearances and access, our people, particularly those with technical and regional skills or overseas experience, are increasingly attractive to the private sector.

-- And if this were not enough, the technology in many fields is changing so rapidly that graduates six to eight years out of school may need to be retrained to stay at the cutting edge in their disciplines.

All this is occurring in an environment in which federal employment is seldom portrayed as particularly worthy or highly valued. The low esteem in which civil servants are held is not simply a matter of rhetoric; there is the even harsher reality of a stagnating and even declining salary and benefit structure for federal workers.

What We Propose

In light of these challenges we recommend a total reorganization of our approach to human resource management. This new strategy is outlined in Chapter Three. For presentational purposes our initiatives are grouped into four broad categories titled Organizational Development, Career Development, Compensation, and Rebuilding the Psychological Contract. At the outset, we concede that this separation is artificial because the actions proposed are interrelated and the integration of these elements into a coherent intelligence personnel strategy is a primary objective and one we consider necessary for success.

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

I. ORGANIZATIONAL DEVELOPMENT

We propose structural changes in how we manage our people, how we support our managers, and how we do our human resource planning.

A. Management Responsibility, Authority, and Accountability

The touchstone of any human resource system is, of course, the line manager who is charged with leading people under his or her supervision efficiently and effectively. Many supervisors and managers, rightly or wrongly, feel they have the responsibility but not the authority they need to organize, lead, and reward their people. Many employees would go further and say that their managers, while production oriented, simply are not held accountable for managing the people under their purview. For example, the incentives to take the longer view of rotations, training, career development, and succession planning simply are not there. Indeed, there are disincentives to paying attention to anything other than current production and current problems.

We propose to increase both management authority and management accountability and, at the same time, to provide managers with additional support and better tools to do the job. In operational terms, this means that senior management must be prepared to delegate authority to the lowest levels possible and provide significantly greater flexibility to line supervisors. In return, these supervisors must be held strictly accountable for the management of the resources under their control.

B. Integrated Human Resource System To Support Line Managers

In order to assist managers in the exercise of their enhanced human resource authorities, we recommend better integration of human resource functions to provide consistent, thoughtful, state-of-the-art professional personnel support to the manager. To this end we propose that all human resource functions be grouped within a Bureau of Human Resource Management in the Directorate of Administration--able to provide central services as well as needed support at the Directorate and component level. And, a point that must be emphasized, the human resource support we have in mind is not the clerical function of employee processing that forms so large a part of current component personnel work. Instead, it is the assistance needed to develop and implement the programs described below.

C. Human Resource Planning

An integrated system will be able to support a more systematic approach to human resource planning throughout the Agency. Management care in evaluating emerging intelligence challenges and problems, which are then reflected in program initiatives and budget submissions, needs to be matched by an equal degree of care in evaluating the human resource requirements needed to implement substantive programs. Future personnel needs must be assessed by reviewing the ability of colleges and universities to turn out the types of people we will need, the availability of experienced people already

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

in the labor force, the competition that can be expected for such types of people, and projected changes in the current skill mix, for example, through attrition. This information must be more readily available to managers and then must be used to make informed management decisions relating to recruitment and compensation policies, and to career development, training, and retraining strategies.

II. CAREER DEVELOPMENT

We believe that providing appropriate career development opportunities, challenges, and guidance is a key management responsibility. There must be more managerial involvement in this function and the organization, for its part, must provide the manager with additional tools to do the job.

It has been and remains the case that employees must assume major responsibility for their own career development. But the Agency traditionally has fostered the view that employees should subordinate personal choice or career planning to the needs of the organization--go where they were sent and remain where they were needed. The social contract held that management would look after the "good soldier" and the employee's career would be watched and nurtured.

Too often, late in a career, the employee has come to feel that no one was watching--or planning--and that rather than relying on the organization, the employee would have been better advised to have been his or her own personnel officer. A lack of human resource planning has meant that managers often moved employees to fill holes or fight fires and paid less attention to career development and career planning than was appropriate. The concerns of these older employees have not been lost on more junior officers and the willingness to accept assignments wherever and whenever offered and to trust management to look out for the employee in the future has diminished.

We propose the following three major changes as a first step in correcting some of the above:

A. Dual Tracks for Managers and Experts

We propose a system that provides for the establishment of realistic dual career paths. Under our current system, remaining a specialist is not perceived as a viable career alternative by the majority of our employees, and the push toward management is almost overwhelming. This encourages highly skilled substantive experts to become moderately skilled managers or to leave the Agency for higher pay as substantive experts in the private sector. And sometimes we organize ourselves for no other reason than to create additional management slots into which we promote our good substantive experts.

None of these results is desirable. First, we prefer a leaner rather than a more layered management structure. Second, we do not need reluctant or less talented managers. Third, we need to maintain a career force of seasoned specialists.

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Without change the situation can only get worse. We need to improve our ability to attract experts into our organization--with appropriate compensation and without having to offer them management positions. We also need to be concerned about retaining the large number of new employees who already worry how they can hope for a successful career if their only option is to compete for management positions, many of which are now filled by people many years from retirement.

Once we achieve a financially attractive specialist track that is no longer perceived as automatically conferring second class status, it will be possible to design a management track that will appeal primarily to those who like management and can do it well. In the private sector, management is a high-risk, high-gain occupation, and accountability is the rule not the exception. Our management track, similarly, must clearly require and reward managerial competency. And, with the existence of a viable specialist track, movement between tracks at various stages and for various reasons could occur with a minimum of trauma and disruption.

B. Promotions

We propose as the second part of our career development program that the Agency depart from the General Schedule System in favor of a more flexible classification system with broader responsibility ranges. Under the current system, the primary way a manager can reward good performance is promotion to a higher pay grade. We would correct this. Pay for performance would reward good performance, while promotion would be reserved for very significant rites of passage between discrete skill levels within an occupation. Dividing an occupation, for example, into entry level, journeyman level, expert level and management level permits us to more reasonably define responsibility levels and skill requirements and assists us in mapping out the training and experiences that will be useful to progress within a field and between fields and within and between the substantive and management tracks.

C. Training for the Intelligence Professional

By the time we have cleared and trained an employee and have discovered whether he or she possesses the skills, the aptitude, and the discipline required for a career in intelligence, we have made a substantial investment in that employee. Yet within six to eight years it may become necessary to refurbish that employee's technical skills if he or she is to remain at the cutting edge of a particular speciality. In addition, we are faced with the prospect that the need for many current skills will disappear within 10 years and that other skills will emerge that will be urgently needed by the Agency. All of this means that if we are to maintain a career work force, we can no longer consider training a luxury or a frill; it is a necessity.

It follows, therefore, that for us to have a career development strategy worth the name, we will have to have in place a comprehensive training program. Our managers and human resources specialists periodically will need to reassess the training required to advance within an occupation as well as the retraining required to equip employees whose skills are becoming obsolete with those new skills that will be needed by the Agency. To do this, we must

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

increase our training capabilities. Further, given the unavailability in academia of training in some areas of particular interest to the Agency, the polemical and often limited way in which national security and intelligence related subjects are taught, and the difficulty, on security grounds, of having some of our esoteric and operational training done privately, we propose establishment of an Intelligence University to provide both degree and nondegree programs for our employees.

III. COMPENSATION

At present, the federal government's salary and benefit structure is not competitive with that available elsewhere. This is especially true with respect to executive compensation. Although technically we are not bound by the GS and SES pay caps, we realize that exceeding these caps would be politically sensitive. Nevertheless, we strongly recommend this issue be addressed and, if competitive salaries are not attainable, then a solution be sought by addressing the problem in terms of total compensation--that is by making significant changes in the way we pay executives and calculate their benefits using a formula that considers performance, position, and responsibilities.

More broadly, we recommend that the Agency move from the General Schedule pay system to a totally new compensation system and also adopt a new total compensation system. By the former we mean that the Agency should replace the General Schedule system, a pay structure better able to reward longevity than performance, with a pay-for-performance system with pay ranges broad enough to support significant pay increases for superior performance over an extended period. By the latter we mean the Agency should replace the rigidities of the current federal salary and benefit structure with a flexible or cafeteria style compensation package that would facilitate lateral entry and better enable us to adjust benefits to suit each employee's unique needs and circumstances.

In our judgment, pay-for-performance is good for the organization, good for the supervisor, and good for the employee. From the Agency's standpoint, it represents a more equitable distribution of resources based on overall contribution to organizational objectives. From the supervisor's standpoint, the ability to reward high performers through salary increases while denying or limiting salary increases to low performers is a strong motivator which, at a minimum, can be expected to decrease turnover among high performers and increase turnover among low performers. Finally, employees benefit from the increased management involvement. They have greater input into the development of performance plans focused on actual work requirements and on the skills and competencies that need to be developed. They benefit because their supervisors need to communicate more clearly what is expected of them and how their performance will be judged. They benefit from increased supervisory feedback which lets them know what they have to do to improve performance and, thus, are better able to get help with work problems. In sum, because employees view performance improvements as being within their control and note increased recognition of individual performance, the pay-for-performance system encourages and motivates the employee.

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

From a larger human resources point of view, pay-for-performance markedly improves the supervisor's ability to get the job done. In pay-for-longevity systems, when a manager rank orders his employees in terms of value and then rank-orders them in terms of salary, the mismatch often is shocking. A pay-for-performance system, on the other hand, redistributes salary within a relatively short period of time so that there is a direct correlation between value and pay.

To make a pay-for-performance system work, supervisors must be empowered to reward differences in employee productivity. To this end they must recognize and make clear distinctions concerning performance at different levels and their annual performance ratings must have direct consequences with respect to compensation changes.

The flip side of greater supervisory authority is greater accountability. Senior management will need to ensure that the twin goals of improving organizational effectiveness by improving individual performance and of clearly linking individual performance to organizational mission and goals are met. Requiring this direct focus will allow senior managers to ensure an objectives-based work plan so that both managers and supervisors are clear on what is to be accomplished and able to assess how well an individual has performed in support of these mission goals.

IV. REBUILDING THE PSYCHOLOGICAL CONTRACT

Our discussions with Agency employees revealed that they are energized by our unique and demanding mission and by one another. There is an enthusiasm for the Agency and substantial pride in the can-do attitude that permeates our approach to problems. Our interviews also indicated that the Agency lacks an effective social contract with its people. We pride ourselves on the quality of our people and the sacrifices they make on our behalf. The view from the bottom, however, is of a more exploitative relationship. While our employees are highly motivated and accept the need for can-do, they are disheartened by the perceived lack of management concern for their needs as manifested by the poor interpersonal skills of their supervisors, the inattention to workplace quality, and the unwillingness of management to otherwise recognize the unique risks and disincentives associated with Agency employment.

There is a feeling that the campaign to reform our personnel and management practices, to delegate downward and to promote "excellence" has not realized all of its promise. It is unclear to employees whether these stirrings are mere fits and starts or, as is hoped, a harbinger of something really new, enjoying a much greater depth and breadth of management support. Frankly there remains considerable concern that management has not yet focused on human resource issues. Consequently, despite the very impressive changes in personnel administration achieved within the past two years, these initiatives, more often than not, have been seen as band-aids. There is not yet a feeling in the ranks that a clear sense of direction has emerged or that a coherent strategy has been decided upon.

This lack of clarity, a widespread perception that two-way communication between management and employees needs to be improved--and more specifically,

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

a feeling that it is difficult for employees to surface human resource issues and get management to deal with these issues--require that steps be taken to communicate an increased managerial emphasis on addressing employee needs and concerns. We propose establishing additional vehicles, including a standardized employee attitude survey, a classified employee newsletter, and a speak-up program giving employees direct access to senior management. In addition to these communication initiatives, we recommend a number of immediate steps to improve the quality of the workplace. Even in the absence of more far-reaching reforms, we would expect an immediate and positive payoff from such efforts. But, certainly, if the larger program we have advanced is to be implemented, improved communication linkages are essential.

V. THE TOTAL PROGRAM

The thrust of these four program areas--organizational development, career development, compensation, and rebuilding the psychological contract--is to foster individual growth and reward excellence, empower both managers and substantive experts, build in accountability, and provide necessary training and support. With some modification, any of the initiatives in these four program areas could be implemented individually, but the essence of our proposal is the creation of an integrated system to replace the current hodge-podge of programs. Implicit in this strategy is the understanding that the Agency, as an employer, must foster a sense of mutual trust, loyalty, and open communications among employees and supervisors and managers at all levels. Our goal is consonance between policies as they are promulgated and as they are practiced. The system we have constructed reflects the Agency's basic beliefs and positively reinforces acting in accordance with them.

The comprehensive program we propose will require significant financial and human resource investment costs. Not implementing this system carries an even higher price tag, however. Inefficiency and low morale are extremely costly, and the cost of failure to meet the mission is incalculable. The Task Force has designed an incremental implementation of the new system to be essentially complete in five years. A draft timetable is attached as Appendix B.

To summarize, we are recommending a radical systemic and cultural change in our human resource system that is consonant with major societal changes already underway in this country. To be successful, the change will require the understanding and wholehearted cooperation of people at all levels. Consistent committed action on the part of senior managers, coupled with open communication and demonstrated caring for employee concerns, will be critical to maintaining morale during what will otherwise be a confusing and distressing transition from the known to the unknown. Creating a more efficient and effective human resource management system that is also reflective of our most cherished values and beliefs is a goal that will need to take precedence over more parochial interests with which it may temporarily conflict. To minimize disruption, ease the transition itself, and win employee commitment and understanding of it, we urge the following:

1) Confirm the authority and responsibility of a senior Agency official, the Deputy Director for Administration, to oversee establishment of the new

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

human resource system, and assign other senior officers to coordinate implementation of each of the constituent programs using Agency-wide Task Forces as required.

2) Initiate an Agency-wide communication mechanism to advise employees of the goals and progress of the new strategy so that they can participate in its development and implementation and share senior management's commitment to its success.

3) Conduct a one-day seminar for the EXCOM and other senior Agency officials on the effect of large scale organizational change and how to manage it.

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

CHAPTER 2

AGENCY STRENGTHS, WEAKNESSES, AND CHALLENGES

The Agency's Strengths

The importance of our mission continues to attract and motivate strong performers. The organization's growth and subsequent differentiation into highly developed and institutionalized human collection, technical collection, analytical production, and support functions have eroded a sense of single, all-encompassing mission. Directorate-specific missions, however, have proven to be an equally motivating force. Our interviews validated an across the Agency perception that we play an important role and that individual initiative and sacrifice can make a difference to the conduct of national security. We move fast to address intelligence priorities with personnel resources and funding with little regard for organizational constraints.

The greatest "plus" of Agency employment those we interviewed cited was the extremely high quality of personnel. We continue to attract people who stand out in terms of intelligence, knowledge, and initiative. The demanding nature of the application process itself--the length of processing along with the intrusive nature of the investigative process--tends to result in a cadre of individuals with demonstrated willingness to "accept" the special demands of our service.

We have traditionally done an excellent job in developing the "intelligence officer" skills of certain categories of employees such as operations officers, communications officers and SIGINT officers. There is a strong cultural bias toward the effective development of employee job skills.

The lack of political appointments provides our careerists the potential for long-term advancement and upward mobility lacking in other Government agencies. The breadth of Agency activities among Directorates offers individuals the prospect of multiple career paths over the projected span of employment.

We have complemented our selection and training process with a can-do attitude that energizes our people. Our preference to let people take on the maximum they can do and push them to the limit in getting the job done underwrites much of our success. All employees voiced pride in the organization's ability to accomplish whatever is asked.

There is substantial staying power to this initial attractiveness. Managers are clearly expected to maintain a key role in the substantive decision-making that initially attracted them to Agency employment. Strong performers are nurtured and challenged throughout their career; recognition and advancement are clearly tied to demonstrated substantive expertise and ability to get the job done. A relatively unbroken management line of "strong

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

performers" effectively ensures product quality and the maintenance of this strong cultural bias.

Organizational Weaknesses - The Downside of Can-Do

Although our interviews indicated that Agency officers are turned on by the mission and by each other, they also demonstrated that they are turned off by federal employment--pay and compensation, retirement uncertainties, public perception of the federal employee--and Agency management practices. Some disillusionment is only natural, particularly when one considers personnel selection criteria that emphasize creative, dynamic, and questioning individuals. The breadth and depth of concern that surfaced, however, seems to constitute a powerful disincentive to line officer productivity and commitment to the organization's overriding objectives.

Our focus on rewarding, recognizing, and promoting individuals on the basis of their substantive expertise and ability to get the job done has resulted in a managerial population with widely divergent abilities to deal with the personnel aspects of management and seemingly incapable of working effectively on the broader range of problems not intimately linked with delivering the product. Although we recognize the uneven quality of managerial talent, our response has been to attempt to control inappropriate behavior by regulation rather than by promoting the development of managerial skills.

- Too many of our people see the development and effective implementation of management techniques as unnecessary to career enhancement. On the basis of our interviews, we conclude that our continued reluctance to take officers off the line for management training or to consciously reward them for management successes not linked to immediate gains in production signals our strong focus on the short term.

- Our managers have had neither the training nor the predilection to engage in strategic planning or deal with non-substantive issues with depth and insight. We advance our strong producers into increasingly complex and challenging positions but spend little time giving them what they need to perform effectively. Indeed, our managers tend to run into particular difficulty when asked to subordinate the short term parochial interests for the greater organizational good. Quick fix solutions seem to be the norm. The Agency, as one officer put it, reacts to problems by "blowing more air in the balloon."

- Managerial control over substance has tended to spill over into other areas as well. The middle and senior managers we interviewed voiced strong frustration over their inability to manage their own operations, citing overly centralized direction on procedures, personnel issues, and financial authority.

- The Agency's "wager on the strong" tends to confer second class status on valuable performers who do not aggressively seek

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

challenging opportunities and managerial advancement. With a diminished sense of self esteem, these employees tend to become more mechanical in their performance, focusing on avoiding failure rather than the innovative and risk-taking approach we seek to inspire.

- With the exception of the DS&T, we are perceived as giving lip service to our commitment to developing a cadre of substantive experts devoid of management responsibility. While programs are on the books, they are neither highly publicized nor aggressively utilized by management. We continue to push our experts into management and communicate a sense of inadequacy to those who would prefer the other track.

- Our concentration on the development and motivation of our high performers leads to poor career decision-making and career uncertainty for a large portion of our employee population.

The Directorate-specific orientation of our organization has eroded management and line officer commitment to an overarching goal. Our interviews indicated a limited sense of "family" on the part of our employees and managers. The relative lack of interaction and communication among the Directorates adversely affects our productivity in numerous ways. Suffering from a lack of inter-Directorate exposure and contact, our employees tend to be unremittingly cynical about the capabilities of those in other organizational components, and tend to focus on the failings of other components rather than their strengths.

Mutual distrust of motivations and a least common denominator approach to problem solving reduces the quality of decision-making at all levels. "Need to know" is applied in the extreme to the point where one hand often has little idea what the other is doing. Win-lose solutions hit us in many ways. For example, we tend to pay more attention to achieving "proportionate" cuts in Directorate funding and less attention to the relative needs and contributions to the overriding mission.

We fully recognize the need for effective containment of classified and sensitive information within the Agency; however, it would appear that our preoccupation with maintaining stringent security controls has its negative aspects. The pervasive nature of Agency security procedures impacts directly and strongly on each individual employee; perceived insensitivity to employee interests in this area sends a strong negative message regarding Agency consideration of employee welfare.

Many of those interviewed voiced a perception that our security system is not preventive or educational but disciplinary. Agency pronouncements on security matters are generally linked to disciplinary actions taken against violators rather than as part of a positive campaign to improve security awareness. This approach sends a message of fundamental distrust of employee motivations and increases the stress our employees already feel by virtue of the security constraints on their behavior--personal contacts, lifestyles--investigated via the polygraph. They frankly have difficulty

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

squaring the trust placed with them for national security in the daily conduct of their job with the sense of mistrust communicated by the organization with regard to personal security issues and financial matters. Perhaps it would be as effective, and less stressful on employees, if our security awareness programs placed more emphasis on the importance of security to our Agency, the importance of guarding against leaks and other unauthorized disclosures of classified information, the problems associated with employee vulnerability and counterintelligence issues, instead of focusing on the punishment awaiting those who commit security violations.

Security also acts as a barrier to effective communication. For an organization committed to gathering and disseminating information we do a poor job in keeping our own people informed. We seem to have developed a highly sophisticated means of rationalizing the need to keep information closely held. We bear the cost in terms of line officer frustration over the lack of information on Agency policies and the lack of officer appreciation for Agency goals and the important roles played by individual Directorates in accomplishing the overall mission.

- Critical information is often passed down verbally leaving room for misreporting and misinterpretation.

- Formal communication is based on ad hoc management decisions regarding what "they" need to know. There has been little effort, for example, to regularly publicize the contributions of individual units to their counterparts in the various Directorates. Many of our employees lack a perspective of what the Agency as a whole is trying to do and what part each Directorate plays.

The third element underlying our strength--the self perpetuation of a cadre of experienced Agency officers--has its cost in the insularity of an in-bred managerial cadre. Lacking the infusion of ideas and approaches that traditionally accompanies the inflow of medium and high-level managers, Agency managers tend to see the problems they have managing people as unique. The homogeneity of management styles and perspective tends to act as an unconscious barrier to the effective review and implementation of alternative views and approaches. The bottom-line, results-oriented mentality characterizing most managers makes long-term solutions particularly difficult to implement.

Can We Continue to Live on Can-Do?

Our interviews indicated that the Agency lacks an effective social contract with its people. We pride ourselves on the quality of our people and the sacrifices they make on our behalf. The view from the bottom, however, is of a more exploitative relationship. While our employees are highly motivated and accept the need for can-do, they are disheartened by the perceived lack of management concern for their needs as manifested by the poor interpersonal skills of their supervisors, the inattention to workplace quality, and the unwillingness of management to otherwise recognize the unique risks and disincentives associated with Agency employment.

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Senior Agency managers who have flourished in the environment described above may take issue with this view and these problems clearly have not precluded us from meeting the requirements of our mission. We can all agree on the improvements made in recent years. However, employee perception is also the reality and a cause for concern. One senior manager commented that the "tone of this place is set incorrectly." Another thought that the organization performed well "despite its managers." At issue is whether existing Agency human resource policies will allow us to meet future intelligence challenges with the current level of success. Based on the trends we examined, this is not the case.

The Changing Environment: Future Demands on the Agency

We must deal with the changing demands placed upon us. Our relevance to U.S. decision-making will continue to expand in breadth and complexity. We have shown ourselves uniquely capable of responding to the changing world environment to the point where we are increasingly becoming the only game in town when it comes to scouting the future and having a comprehensive understanding of the foreign forces affecting U.S. interests. The growing foreign challenge to U.S. economic interests has expanded our customer base beyond the National Security Council and Departments of Defense and State. Increasingly we are asked to actively combine our intelligence gathering capabilities and expertise with analysis of policy alternatives and, in some cases, positive actions to thwart activities detrimental to our interests. Dynamics in the Third-World indicate that dependence on covert action will grow.

The complexity of our mission requires fundamental adjustments in the way we do our business. All Directorates will have to develop an increased awareness of one another's needs, capabilities, and sensitivities. The need for mutual trust and support for cross-Directorate initiatives is clear. The ability to effect change in longstanding procedures and attitudes will not come easily.

Congressional Oversight and the Fear of Failure

We must find a way to maintain individual initiative in a more intrusive and hostile domestic environment. If nothing else, the past decade of Congressional oversight and media intrusion has demonstrated that there is no such thing as a "little" or even "honest" mistake in our business. And so we have introduced centralized controls, pushed up authority, fostered conservative interpretations of regulations and guidelines, and otherwise sensitized our managers to "keep clean." These controls seem to have taken on a life of their own, killing the entrepreneurial spirit responsible for many of our past successes. We tend to react to a specific event by instituting a series of regulations to ensure it will never be repeated. One observer commented that "our regulations have come to be a compendium of rules to avoid the improbable horribles." This noble goal is achieved at the cost of making rational decisions difficult to implement because a series of watchdogs have been charged to assure that each decision is not an improbable horrible and will not turn into one.

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

The proliferation of rules and internal oversight, along with the "fear of failure" engendered, has resulted in predictable conservative behavior on the part of our managers. With the possible exception of the DDS&T, our managers have come to look for approval in codified form. Rather than take advantage of the flexibility available, they have come to believe that "if it is not written down it can't be done." Those who do question the system face a phalanx of conservative superiors and administrative staffs. Employees, for their part, tend to view the proliferation of rules and guidelines as indicators of management distrust of personal integrity and motivations.

The New Generation

We need to become more responsive to the needs and expectations of employees. Our continued ability to effectively inculcate our people with the values we hold dear--primacy of the mission, importance of product over process--is in doubt. The new generation has different expectations and the sheer size of their numbers alone seems to mandate some accommodation in our way of doing business.

- Sociological studies and the experience of numerous corporations validate our internal findings. The generation now comprising a large part of the work force puts a higher premium on the way things are done. Moreover, they are more concerned with developing a clear sense of career progression and expect the organization to live up to its part of the social contract. This set of values is in direct conflict with our emphasis on delivering the product at all cost and our relative insensitivity to formal career planning and employee nurturing. The results have been frustrating to employees and supervisors alike.

- Our ability to mold new employees in our own image is further limited by the volume of new entrants and the lack of experienced officers and supervisors to bring them along. We now have a new generation uncomfortable with our way of doing business and increasingly--based on continued self-reinforcing dialogue amongst themselves and with people on the outside--insistent that the organization do the changing.

- The growing proportion of dual career families within our population poses special problems for us that have to be addressed in a systematic and programmatic way.

Reduced Desirability of Federal Employment

The uniqueness and relevance of Agency employment can go only so far in offsetting the increasing disincentives of federal employment. Judging from exit interviews and the difficulty in hiring certain key categories of personnel, we are at increasing risk in our ability to effectively address current intelligence challenges. This is particularly true in technical areas.

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

The issue of reduced prestige, pay, and benefits associated with Federal employment is hitting us in a pervasive and sinister way. We have inculcated our employees, with a sense of "specialness." This "specialness" has successfully motivated our employees to undertake missions, careers, and indeed a lifestyle significantly different from anything else in the government. They willingly put in substantial hours of unpaid overtime, subject themselves to midnight callups, and forfeit hundreds of thousands of hours of unpaid leave to get the job done. While our people have never pushed hard for special treatment in benefits packages, they seem to be calling on us to put content into this "specialness" by protecting them from the deterioration of pay and benefits. Failure to answer this challenge through aggressive pursuit of Agency-unique benefits packages could seriously erode the intensity and dedication responsible for many of our past intelligence successes.

Meeting Increased Challenges With Constant or Decreasing Budgets

The rapid increase in funding over recent years has provided us with maneuverability in responding to the increase in policy-maker demands, but the likelihood of declining or at best, stable budgets will put a premium on effective management of Agency resources. Specifically, we will have to increase our ability to work creatively and selflessly in subordinating parochial interests to the greater needs of the organization. We may need to consider whether our management cadre have the interpersonal skills, and management and planning capabilities required and whether we adequately reward such behavior.

A Leadership Transition

CIA is an Agency reaching middle age. It will soon be forty years old bringing it to the precipice of a major leadership turnover. The impact of a largescale exodus of senior experts and managers already has been felt in the DI but we cannot overlook the fact that by the end of 1986 some 36% of all SIS cadre and 15% of GS-14 and GS-15 personnel in the Agency are eligible to retire. In the DO and DA this problem is far worse. While not discounting the negative effect of such losses, the fact that we will be undergoing a leadership transition offers an opportunity for change in that new managers will have less of a vested interest in maintaining the status quo.

The Challenge of Remaining Technologically Relevant

The half-life of skills for engineers, physical scientists, physicists is currently estimated at six to eight years. Maintaining skills currency for a career will require some major adjustments in outlook and human resource management strategy. Responsive training programs employing the concept of continuing life-long education must be of high professional quality, timely, and tailored to the individual.

The use of desktop computers could expand to include virtually every Agency job other than manual labor over the next ten years. Many jobs will be completely dependent on automation; others will require redesign. Whether or

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

not we are prepared for the impact of automation on the work force, the impact will occur. Our ability to recruit, test, train, and retain employees who can cope with the transition depends entirely on how well we anticipate the specific changes that will occur in Agency jobs.

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

CHAPTER 3

A STRATEGY FOR IMPLEMENTING THE NEW HUMAN RESOURCE SYSTEM

The Task Force proposes fundamental changes in the Agency's system for managing its human resources. Included are proposals regarding Organization Development, Career Development, Compensation and Rebuilding the Psychological Contract. The changes can be made over the next two to five years given the full support of senior management and the willingness to provide needed resources to the project. We should begin by confirming the authority and responsibility of a senior Agency official, the Deputy Director for Administration, to oversee the establishment of a new, integrated human resource system.

I. ORGANIZATIONAL DEVELOPMENT

Line managers are central to any human resource system. They make the difference between success and failure of the mission and must have the tools, incentives, and support to accomplish both short-term and long-term Agency objectives. The proposals that follow argue in favor of a more integrated human resource management system to help provide better support to managers, and the adoption of new personnel policies that will better serve our employees. The bottom line, however, is that managers will have to spend more time on, and give more thought to, personnel issues, and they should expect that their promotions and rewards increasingly will be based on demonstrated managerial effectiveness.

A. Management Authority, Responsibility, and Accountability

Managers in federal service have neither the managerial authorities nor the responsibilities of their counterparts in the private sector. Often they feel constrained by regulation to the point that any attempt to reward or discipline employees is seen as an attempt to defeat the system. Some have become very creative at devising ways to exercise control in spite of regulatory constraints, often using loopholes in regulation or policy to do their jobs with appropriate speed and dispatch. In fact, since the establishment of the General Schedule, all managers in the federal service have been severely limited as to the amount of control they can exercise over their work force.

The Agency is no exception. Supervisors and managers are expected to do little more than evaluate performance, and even here we find that some performance appraisals are inflated or inaccurate. Agency managers, for example, are restricted by a system which dictates the levels and numbers of positions allocated to a given component, rather than one that allows flexibility in distributing resources to address the task at hand. Under the current system the supervisor has only limited power to promote, which has become the single significant symbol of reward in the General Schedule. Even the most conscientious managers have difficulty influencing the system with

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

regard to personnel management, and their influence, such as it is, will vary from assignment to assignment.

One clear signal that the Agency does give to its managers is to produce. Indeed, the system in which they participate has very little capability for measuring any other facet of management. Thus, managers who devote energy to personnel or budgetary planning will, at best, make life a little easier for their successors, and any time spent on employee development will be seen as time taken away from production which will yield neither acknowledgment nor reward.

Tasked and rewarded from above primarily for producing, they can do little more than pay lip service to developing subordinates, and performing other managerial duties not directly related to production. Employees are sometimes seen as expendable resources needed to produce the product and little care is given to their renewal. The human resource scarce environment of the nineties will make this type of management less tenable. To prepare for the next decade we must strengthen and reward managerial competence.

Much already has been said in this report about the widely divergent abilities of our management population to deal with the personnel aspects of management. A case could be made that this is a result of a system that tolerates less than excellent management by not holding managers accountable for their actions in this regard. We propose a system that holds managers accountable for planning, employee development, counseling, communication, and virtually every other aspect of a healthy work force. Performance in these key elements must receive consideration during the manager's annual evaluation and must impact on the manager's pay. In sum, we would give our managers more authority, expect more in return and provide rewards based on their managerial accomplishments.

Even with greater responsibility and authority Agency managers will have limited success if we do not change significant aspects of our human resource management system. An essential element of our proposal, therefore, is to provide managers with the tools and incentives to achieve long-term human resource objectives as well as short-term production goals. Professional assistance should be available for all managers in every aspect of human resource management. However, each manager must have the authority necessary to fulfill the responsibilities of the position and be held accountable for the exercise of that authority.

B. Integrated Human Resource Support to Line Managers

One major ingredient in providing better personnel support to management is to change our current system--both in the way it is organized and in the way it is used. Although the Office of Personnel has struggled to provide managers with policy guidance and interpretation, consistency in position management and compensation, administration of employee benefits, and applicant processing, the involvement of line managers in these activities varies widely. Too many managers perceive personnel support as consisting mainly of administrative processing and recordkeeping.

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Other principal aspects of human resource management such as training, personnel security, medical evaluation, psychological assessment, career development, personnel planning, and budgeting are addressed independently by discrete components. Such fragmentation makes for an environment that lends itself to conflicting priorities, lack of coordination, and parochial interpretation of human resource policies.

If the human resource support to line managers and employees remains fragmented, progress toward modernizing the system as a whole will be jeopardized by inconsistent levels of understanding, commitment and capability among those components. Therefore, if line managers are to have greater participation, responsibility, and authority for administration of the Agency human resource system, they must be provided an integrated support structure to rely upon for more responsive and more professional assistance.

As managers become more involved in human resource management, the types of advice and guidance available from component personnel officers must be expanded considerably and defined consistently across the Agency. Currently, at the component level personnel officers handle the high volume of clerical work associated with TDY and PCS processing, promotion panel support, and component personnel recordkeeping. A greater emphasis on automation should permit decentralization of many of these activities to component secretarial positions. This would assist in the job enrichment program of the new secretarial system while freeing component personnel specialists to assume responsibility for advising management on organizational development, employee development and motivation, human resource planning, and strategies for achieving staffing goals. As human resource specialists they would participate in recruitment, placement, training, career pathing and evaluation activities and interpret and implement Agency personnel policy on behalf of line managers.

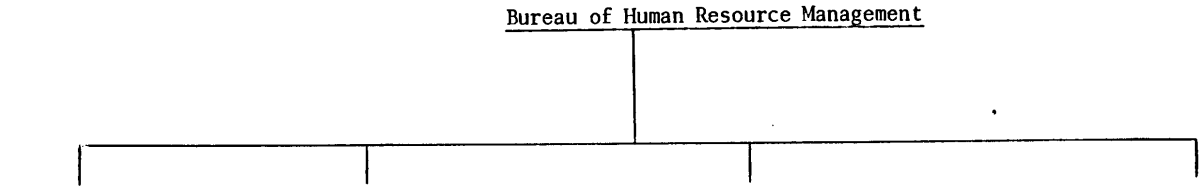
At the Directorate level a human resource staff would consolidate component human resource planning and budgeting, monitor and evaluate the career management systems spelled out in the Directorates' Career Development Handbooks, and participate in executive succession planning. The staff also would have responsibility for the employee support functions of career counseling and placement, grievance review, EEO, and training review, and otherwise see that employee concerns are being effectively addressed at the component level. Moreover, it would be the element that will ensure the relevance of the human resource system by regularly reviewing, adjusting, and updating it to reflect external realities and the needs of managers and employees.

Having established the basic responsibility and accountability for human resource management at the component manager level and provided for Directorate level review; there, nevertheless, remains a need for an Agency-wide focus for personnel planning and development of an integrated human resource strategy. A central coordination point is required not only for identifying adjustments needed in the current work force size and distribution, but also for determining future needs and developing alternatives for meeting our skill requirements through training, recruitment,

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

CONFIDENTIAL



Intelligence University

Director for Employment
Includes responsibility for:

All areas engaged in recruiting and processing.

Director for Management Support
Includes responsibility for:

- Performance evaluation system
- Development of salary and benefit policy
- Promotion system
- Position management
- Counselling & career development
  - Including executive development
  - Assistance to dual career families
- Training & occupational certification programs
- Problem employees
  - Termination
  - Outplacement
- EEO issues
- Casualty planning

Director for Personnel Administration
Includes responsibility for:

- Automated personnel record system
- Insurance system
- Total compensation system
  - Payroll system
  - Flexible benefit system
  - Award system
- Retirement system
- Credit union
- Employee activity system
- Travel, including PCS & TDY processing

CONFIDENTIAL

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

and placement. This integration of our human resource system should extend beyond planning and analysis and include all the functions associated with recruitment, employee development, training, personnel policy, and administration. Such a centralized "Bureau of Human Resource Management" would ensure that, for the first time, Agency supervisors and managers at all levels would have a single clear source of professional assistance to help them in their human resource management tasks (see previous page). To reduce the current shortage of such professionals, we recommend an Agency-wide program to attract to the Bureau of Human Resource Management individuals already possessing credentials required of human resource specialists. These individuals also should be provided the opportunity for advanced training in this field.

C. Human Resource Planning

Integration of the human resource function is not an end in itself, but a means to accomplish goals previously considered unattainable in the human resource area. Currently, there is consensus that we do little short-term and no long-term human resource planning. We also completely avoid integrating program and people planning except in dollar and position terms for budgeting purposes. During the budget submission, positions are often requested for a given program but, in many cases, the program is adopted whether or not the positions are approved. Even if positions are received, inadequate thought is devoted to the mix of skills required, concomitant increases in support personnel, the time required to recruit and train personnel and other related issues. This results in misuse of current resources and misdirected recruitment and training strategies. It also reduces management's accountability for program accomplishment.

To correct these deficiencies, we need to better integrate human resource planning with program planning. This would improve our ability to:

- Identify and acquire the right number of people with the proper skills.
- Create links between mission goals and objectives and people planning activities.
- Train, retrain, and design appropriate career paths for employees so that motivation and performance are improved.

Critical to the development of such a human resource plan would be the establishment of an integrated human resource information system that combines personnel, payroll, security, medical, and training systems. One of the most common complaints of Agency personnel involved in personnel management is the lack of an integrated and user-friendly automated personnel data base. Such a system is a prerequisite to serious personnel planning. It would help ensure data accuracy and consistency across organizational lines, would increase productivity in our human resource staffs, and would reduce paper flow throughout the Agency. We have identified two types of required capabilities:

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

1. Accomplishment of all human resource related administrative transactions in an on-line mode by component personnel staffs. In addition, employees should have the capability to update qualifications, to make desired changes in insurance coverage and other benefits; whereas supervisors should have access to automated performance appraisal and position classification systems.

2. Analytical capability at the component level to interact with the data base on-line to do:

   Strength forecasting
   Trend analysis
   Attrition planning
   Skills inventory
   Recruitment planning
   Alternative work force/scheduling analysis
   Succession planning
   Training and career pathing profiles and tracking

Automation also might spur a much needed change in our regulatory issuances, which today are too long, too complicated, and too negative. We need to cut our regulations in half, write them in plain English, and use them to explain to our managers not only what they can't do but what they can do. Putting the regulations into an on-line text retrieval system will make them more accessible to employees and managers, make them easier to edit, and easier to revise. Our regulations, perceived as having evolved into formidable barriers to independent action, need to be recast into a form that is streamlined, accessible, and understandable to serve their purpose of providing employees and managers with current, intelligible and relevant guidance.

II. CAREER DEVELOPMENT

Since employees are our most important resource and we foresee increasing difficulty in recruiting and retaining them, we need to make the best use of those we have. With this in mind, one of our objectives is to make managers better skilled in, and more responsible for, the utilization and development of their employees. We propose three significant new tools to help our managers--career path alternatives, a new promotion system and training that is an integral part of career advancement.

A. Career Paths

We recommend creation of separate, viable, attractive, and financially rewarding substantive expert and management tracks.

The current system has serious flaws:

- Substantive experts want to become managers because they are not persuaded that they can have a satisfactory career as expert. We would be better off if many of these substantive experts did not become managers; we trade superb experts for moderately talented managers.

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

- The career pressure to become a manager encourages components to organize in such a way as to provide additional management positions, and thus, additional management opportunities for skilled employees they are afraid they otherwise would lose. We would be better off with more highly skilled managers but fewer layers of management.

- It is difficult to attract lateral entrants who are coming in as experts and not as managers.

These problems are accentuated by the composition of our work force, one-third of which has less than five years of Agency experience and less than fifty per cent of which has reached the age of 40. These employees are competing for what they perceive to be a limited number of management positions, many of which already are filled by relatively young colleagues. This competition will be exacerbated by the growing number of midcareer entrants being brought on board to alleviate the problems associated with a young work force.

In order to mesh the institution's need for fewer managers and the individual's need for success, we propose a significant change in our career pathing structure that would offer employees a choice between a career as a manager and a career as a substantive expert. Each would lead to success and each would offer its own unique set of experiential opportunities and rewards. Creating dual tracks will require changes in the composition of the work performed by substantive experts and by managers at various career levels. It will also require the identification of clear experience and skill requirements for career progression in each track.

1. Expert Tracks

Today there are some limited expert tracks in the Agency but many of these positions go unfilled because employees see a decision to be a substantive expert as career limiting, not enhancing. For some, acquiring the skills or satisfying other requirements needed to qualify are seen as too high relative to the rewards. Individuals who do enter the substantive, rather than the management track are still often perceived as second-class citizens, instead of being respected for their substantive expertise.

The establishment of expert tracks in substantive fields should:

- help keep experts where they are most productive;

- encourage midcareer specialist entrants by compensating them for needed expertise without requiring them to manage; and,

- provide continued career opportunities to worthy individuals who might otherwise become discouraged and feel forced to seek external employment for continued advancement.

2. Management Tracks

When we establish an expert career track with its own special skills and competency requirements we will have taken a major step in improving

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5
CONFIDENTIAL

management, as it will no longer be necessary to anoint someone as a manager so that he or she can advance. Once it is clear that management calls for special training and special skills, and that acceptance of the position of manager carries with it certain risks and challenges, then the nearly universal interest in being "promoted" to a manager may change.

Better training for managers and better succession planning are clearly needed. Today, when Agency managers are queried regarding the traits needed to operate successfully in their positions, they respond, with near unanimous agreement, that many necessary skills were not acquired until long after they were required. Similarly, more junior employees who seek a management career today have no blueprint of skills and experiences to follow. Lacking such a career outline, even highly talented people can fail to develop program and human resource management capabilities, planning and budgeting skills, or even the confidence needed to delegate authority effectively and to work creatively with other managers to satisfy broad Agency concerns. Without a management track we will continue to find that a significant portion of our senior officials are experts who just happen to be managers.

Structurally we see the managerial track as an offshoot of a substantive specialty starting at the journeyman level. To help employees decide which track to follow, we envision all professional employees being exposed to a Professional Development Program and some limited assessment testing. The program would give the employee a taste of what management is and what managers do. It would also provide objective measures of strengths and weaknesses in management and in the substantive area. Feedback and counseling would be included as would the opportunities to set goals and to design an individualized training plan of self-study and formal course work to develop either as a manager or specialist.

With a viable dual track, employees who have made the decision to follow a managerial or substantive track will begin to focus on the skills identified as required in their chosen tracks. Training and development from this stage on will consist of courses designed to give specialists and managers both an Agency-wide perspective and a component-specific viewpoint. Interwoven throughout the career training programs would be external opportunities to enhance and reinforce skills already acquired and to counter any tendency for senior "intelligence professionals" to become insular or parochial in their orientation. Skills acquisition would be complemented by a mentoring system which would transmit essential information about organizational culture and mores that are needed to operate effectively in the system.

Dual career paths will affect organizational structure. By expanding opportunities for substantive experts, the need for managers to spend large amounts of time and energy on certain of the substantive aspects of daily work will be reduced. Managers will have more time to concentrate on other responsibilities and will be able to manage larger numbers of people. With fewer managers required, we can reduce the number of managerial layers. Components will no longer be forced to create artificial management levels in order to gain promotional headroom for worthy substantive experts.

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

B. Skills-Based Promotion

Another significant management tool for improving employee development and use, and one that is in harmony with a dual-track system, is the implementation of a skills-based promotion system. In place of the 18 discrete GS levels, we advocate the establishment of fewer, but broader, levels within the various occupations represented by entry, journeyman, and expert in the specialist tracks and similar levels, although perhaps with different labels, for the managerial track.

Fewer levels mean a smaller number of promotions in a typical career and; promotions would be reserved for significant changes in level of responsibility. Employees would, of course, receive financial rewards in the form of compensation for excellent current performance; however, that form of recognition is best accomplished through a more flexible, pay-for-performance system outlined in the next section.

Career advancement and promotion in a skills-based promotion system rest not only on current performance but also on achievement of specific qualifications gained through training and developmental assignments. Such a system must be structured to provide employees with a clear outline of skills, training, assignments, and other specific requirements for promotion eligibility.

A skills-based promotion system differs markedly from our current one, which operates primarily by recruiting junior professionals and allowing them to progress based on a combination of experience, aggressiveness and luck. (Piranhas do better than trout.) Our current system fails to provide employees with clear career diagrams that outline requirements for career progression. Although such outlines exist, with varying degrees of accuracy, in the minds of our more astute employees, the lack of specificity as to what is expected results in inconsistency in competencies achieved within professions at every level and substantially increases the complexity of the assignment process for managers and employees alike. Risktakers who seek a rotation without knowing its impact on their career development often make mistakes that have dire consequences on their promotability. Positions emphasizing certain skills often are filled by individuals who have less than the required competencies. Positions must be redesigned around that individual or filled ineffectively until needed skills are available.

A skills-based promotion system together with dual career tracks would alleviate many of the weaknesses illustrated above. It would ensure that standards for promotion are consistently applied and continually updated, and would require managers to address Directorate human resource goals while developing senior officers. Promotions would be based on demonstrated competency in key skills needed to perform effectively at higher levels of responsibility. With clearly defined requirements, promotions to journeyman should be delegated to immediate supervisors supported by certification that the employee has: (a) mastered the competencies and completed the necessary training and (b) demonstrated the potential to be competitive at the journeyman level. Promotions above journeyman would be competitive and handled by a Career Service level panel.

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Each employee would receive a handbook containing a time-line schematic of a typical career in the occupation. It would include selection criteria for entry into the trainee level and would snapshot the career through succeeding higher levels of responsibility. It would provide a list of skills required to perform successfully at each level and the types of assignments characteristically held as well as requirements for moving to the next level. The handbook would also show at what points one could logically shift to other specialist categories or shift from the specialist to the managerial track and what would be required to make each of these shifts. The handbooks would provide clear career diagrams for each occupation and give employees information needed to make knowledgable and pragmatic career decisions. Managers, for their part, could use the handbooks for career counseling, for employee development, and for performance appraisal discussions, a management tool that has been sorely lacking in the past.

C. Training

Currently few Agency managers see training in a longer-term perspective as a career development tool. Training is appreciated as a way to upgrade skills used in a current assignment but, too often it is viewed as a reward for long hours or arduous service, a kind of R&R to recharge the batteries. As we examine our future challenges, however, the need for training and retraining to meet the needs of the National Foreign Intelligence Strategy becomes abundantly clear. Consequently, our proposed human resource system with dual tracks and skills-based promotions highlights training as an essential ingredient in career development. Indeed, given the dropout rate in our security processing and the growing competition in many career fields, it may be easier to retrain than recruit.

We see our additional training needs as fourfold:

- A significant number of nondegree employees have demonstrated their dedication, energy, and willingness to live under the discipline required in our business and are capable of doing more. They should be offered the opportunity for upward and lateral mobility to meet Agency-unique occupational needs. We recommend special training programs to take advantage of these employees' natural skills and potential.

- In many areas our needs require the training that comes only with extensive academic study. We hire these highly educated people and then expect them to stay current, particularly in high-tech occupations. If we are to get the most from these employees, we need an extensive skills maintenance program.

- Changing Agency needs and skill requirements in various career fields dictate that valuable employees with obsolete or less-needed skills be retrained. Typical of Agency careers in transition at this time are those of electronic technicians and personnel officers.

- Competency as an intelligence professional in the future will require broader skills and broader expertise. It will require team

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

problem solving, creative analysis and innovative use of skills in new settings. Developing these abilities will require new types of training and, where possible, rotational assignments.

This diversity of training requirements for some 20,000 people poses problems that have no simple solution, but if training is to become a normal part of our daily work-life, then definite steps are required to gain the full commitment of both employees and supervisors. Of course, we will continue to depend on external academic training for many of our needs, but we should also use the opportunities afforded by our metropolitan location to develop innovative curriculum programs with a consortium of area colleges and universities. Several occupations within the Agency are already designing what approaches a certification program and such programs can and should be expanded to include other career ladders, but more is necessary.

We believe CIA should build on the groundwork already laid by other organizations and establish an Intelligence University to offer both degree and nondegree programs focused on subjects of particular interest to the Agency. Like State Department's Foreign Service Institute, DIA's Defense Intelligence College, the service academies, and the Defense Department's War Colleges and related institutions, an Intelligence University would provide special recognition and give a feeling of academic accomplishment to the intelligence professional. It would help to foster a renewed sense of Agency identity and commitment. It would provide a focus for coordinating training available at other institutions with training which we can provide in order to tailor certificate and degree programs for our employees, and in the process we would achieve both the skills training and the cultural bonding which we believe our intelligence professionals need to have. Further, such a university could be designed to have courses given at times and in ways that are convenient for our employees. These training options would include video and remote TV courses, computer based learning, after hours or weekend seminars, traveling seminars, and correspondence courses, including training at home on PCs and VCRs.

The programs available through an Intelligence University could provide an even more flexible workforce. The manager of the future will be heavily involved in employee career development, defining, for example, the competencies required at various career points within the management/ specialist tracks. Human resource specialists, using the new integrated planning system, will translate those requirements into projected personnel needs. Existing and projected skills requirements will be fed back to employees, who then can use this information to develop skills in demand through training at the Intelligence University as well as through developmental assignments.

Our interest in training is broader than skills development for other reasons too. Recently, there has been an increase in the number of employees, particularly in high tech occupations, who are leaving the Agency at the peak of their careers, primarily for higher compensation. While some employees will forsake the latest model car or a bigger house for the fulfillment that

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

comes with an Agency career, they may be less willing to shortchange their children when it comes to sending them to good colleges and universities. Faced with annual tuition and related expenses averaging ten to fifteen thousand dollars per year per child, such Agency employees often can find no alternative but to seek the higher remuneration of a career in private industry. We believe the following proposals, not only would do much to keep some of our best employees from facing the personal dilemma outlined above but also help the Agency attract new employees:

- The Agency could allow employees to cash in their annual leave balances to pay for tuition expenses.

- The Agency could offer a tuition assistance program for dependents of Agency employees. The program would offer tuition assistance in specified fields and for acquisition of skills of particular interest to the Agency. The student would be required to maintain a B average with an appropriate commitment to government service for each academic year paid for by the Agency.

- The Agency could establish a student loan program and assume payment of student loans for new employees. In return, the employee would make an appropriate commitment to government service for each $5,000 assumed. This program would help attract applicants who might otherwise accept private sector employment with its higher pay scales.

- The Agency could establish a student loan program for existing employees to pay for their education or the education of their children and assume payment of up to $5,000 for each year of continued service to the Agency.

- The Agency could establish an ROTC program to attract a sufficient number of high-tech graduates to meet the Agency's annual entry-level requirements. The program would pay all college related expenses, provide summer employment and training at the Agency, and include an agreement to serve with the Agency for five years after graduation.

III. COMPENSATION

A key management tool is a pay and benefits system that gives greater management control over the total compensation employees receive, allowing that control to be used to motivate people to greater productivity. To achieve this control and to ameliorate many of the problems associated with the General Schedule, we propose a new, or modified, compensation system. The new system should ensure internal equity, maintain external competitiveness, reward excellent performance, and provide sufficient flexibility to tailor compensation packages to individual needs. This system should give the individual line manager greater flexibility to reward employees and clearly establish management responsibility and accountability for integrating human resource requirements into budgetary planning and administration. The system can be designed to allow changing external budgetary circumstances to be taken into consideration without disrupting its basic structure.

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

A. Internal Equity

We endorse the Office of Personnel initiative for the development of a new Agency position classification system which will focus on unique considerations such as the impact of cover, security, lifestyle restrictions, and overseas service on our jobs. The project will analyze approximately 35 Agency occupations, but the results can be used to fit remaining Agency occupations into an overall structure that reflects our internal values. This is a necessary first step in aligning our salaries with the outside marketplace, and in laying the framework for the development of a pay-for-performance system. While the analysis of SIS positions is not specifically included in the job evaluation project, the concept we adopt can also be applied to the SIS level.

B. External Equity

For the past several years the validity of the methodology used by the Department of Labor for surveying private sector pay practices has been questioned by Congress and the President. Because of skepticism from those quarters, federal pay has been set arbitrarily, based more on budget considerations than on private sector comparability, and the federal government continues to slip behind the private sector in compensating its employees. Because of wide disagreement on methodology, the amount of this disparity is at issue, but on the whole appears to be between 10 and 23 percent.

Fortunately, factors other than pay have enabled the Agency to continue attracting dedicated and able employees to its ranks. Primary among these is the importance and excitement of our mission and the substance of the jobs we have to offer. However, the continuing assault on Federal employees' pay and benefits, and the new portability of federal retirement, will almost certainly become a major obstacle both to our ability to recruit and to retain the types of people we need to carry out our mission.

In many cases we are competing with private sector corporations for the same people. Private industry can offer much better compensation packages to people without requiring them to withstand our rigorous screening process, accept our lifestyle restrictions, and wait from six months to a year between initial interview and entering on duty. Although we cannot realistically hope to establish salaries that will be fully competitive with the private sector, we must significantly shorten the recruitment process and establish a compensation policy that is more competitive and more attractive to applicants than is currently the case.

C. Pay-for-Performance

Rather than a system that encourages grade creep by requiring promotions to increase pay, we advocate a pay-for-performance system that more clearly separates promotions from performance awards. Promotion decisions should reflect an organization's belief that an individual is ready to accept a position of greater responsibility. This decision can be quite separate

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

from the rewards for accomplishments in the current job. The Task Force believes that the nature of our work lends itself to establishment of a pay-for-performance system that encourages excellence and rewards individual performance.

For a pay-for-performance system to be successful, employees must perceive that:

- they are capable of better performance, and that factors affecting improved performance are under their control.
- good performance will be recognized and rewarded, while poor performance carries a financial cost.
- the rewards are worth the increased effort.

Three elements are required to establish the pay-for-performance system. First is a pay structure with pay ranges that are broad enough to support a significant pay increase for superior performance over an extended period.

Second is a performance evaluation procedure that allows an objective assessment of an employee's performance in the current job. The system must be job specific, and focus on observed performance-related behaviors. This forces an ongoing communication process between the employee and the supervisor to assure mutual understanding of job requirements and to highlight any discrepancy between the employee's and the supervisor's perception of levels of performance. The task of developing a new performance evaluation system is already included as a subtask of the Office of Personnel job evaluation project. The focus of that effort must be to design a performance appraisal mechanism that reduces the reliance on narrative evaluations, identifies job-specific performance standards which are weighted in terms of their importance to the successful accomplishment of the job, and provide a reliable measure of an individual's success in meeting Agency goals.

Third is a training program dedicated to ensuring that the new system is completely understood by supervisors and employees. Managers must understand that they will be required to rate supervisors on their ability to equitably distribute financial awards among their employees, and that they will, in turn, be rated on their ability to evaluate supervisors. Supervisors will most likely find themselves unprepared for the additional responsibility and uncomfortable with the additional power until they are completely trained in the nuances of the system. Employees will defer trust in the system until they not only understand it fully, but also perceive it as being fairly administered by knowledgeable supervisors.

The pay-for-performance system should include both permanent pay increases (or pay decreases) within the pay range and one time lump-sum cash payments. Decisions on amounts to be given and whether performance will be rewarded by permanent pay increases or by cash awards should be the responsibility of supervisors within overall guidelines provided by Agency management.

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

D. Incentive Awards

Supplementing the annual pay for performance program should be a responsive awards system for recognition of special contributions to the organization. The Task Force believes that bureaucratic regulations and self-imposed review now prevent timely recognition for a job well done. In our view, changes to the awards program can and should be made quickly in order to send a clear signal that senior management is serious about rewarding excellence and supportive of pay-for-performance. We specifically recommend:

- Delegating award authority and speeding up the authorization process so that awards can be presented closer to the time of achievement. Operating Officials and Deputy Directors, for example, should be empowered to grant cash awards up to $2,500.00 and $5,000.00 respectively.

- Increasing the pool of funds available for cash awards.

- Creating additional categories of incentive awards to maintain proficiency in key skill areas even when such skills are not required for current performance. Skills covered in this regard could include shorthand, polygraph operation, law, etc.

E. SIS Pay-for-Performance

While our current SIS compensation system has some of the elements of a pay-for-performance system, it can be improved. The current criteria for stipend awards to SIS officers are not clearly understood. To help clarify the connection with performance, we propose a redesignation of the stipends into two types--superior management and superior individual accomplishment--with publication of precise criteria for these awards. Consideration should also be given to changing the "incentive pay" aspects of the system. For example, all SIS base salaries could be set at some median level and all available funds above that amount used to augment the annual bonus fund for recognizing significant contributions to Agency goals.

F. SIS Total Compensation

In order to offset the widening total compensation gap between government service and the private sector at the executive level, we recommend a graduated set of other SIS benefits be made available which would augment SIS compensation, improve the quality of life, and increase productivity of Agency executives. Some examples follow:

- Compensation could be augmented by government paid term life insurance and liability insurance, additional retirement credit for years of SIS service, a 401K plan with employer contributions, and purchase of unused annual leave at any time prior to retirement.

- Quality of life could be improved by providing a budget to personalize the office with items not available from GSA, a TV and

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

small refrigerator, a representational budget for amenities such as coffee at business meetings or applicant lunches in the Executive Dining Room, business cards for those not under cover, first class travel for Deputy Office Directors and above, government credit cards for long-distance phone calls, travel, etc.

- SIS productivity could be enhanced by providing personal computers for home use, establishing a strict health maintenance program, and establishing a resort type facility to be attended by small cross-Directorate groups of SISers and spouses for seven-day study/recreation sessions.

G. SIS Ceiling

The current disparity between the number of SIS positions (nominated by the Directorates, certified by PMCD, and approved by the DDCI) and our OMB approved SIS ceiling means that over a hundred officers serving in SIS positions cannot be promoted to SIS rank, and we expect this situation to worsen. We need to retain our highly qualified senior officers and we also need to bring in from outside the government some senior experts and managers. Given the disparity between government and private sector salaries, we must be able to at least offer SIS status to such officers, but we are tremendously handicapped by our current lack of adequate SIS ceiling. Consequently, we urge that additional steps be taken to persuade OMB to increase the Agency's SIS ceiling.

If such an effort fails, then we propose a system of "brevet" promotions for GS-15 officers serving in SIS positions. For example, a GS-15 officer who has been in an SIS position for at least six months, has been performing satisfactorily, and would have been recommended for promotion had the headroom existed, should be given a "brevet" promotion. This would place the officer in queue for promotion, provide additional step increases which would raise the officer's salary to SIS levels, and allowed preferred parking and Executive Dining Room privileges.

H. Individual Compensation Packages

Finally, the Task Force believes that by taking a total compensation approach for all employees, we can structure more tailored individual benefit packages which recognize that different employees have different needs and also recognize that employees have different needs at different times in their careers. The standard package of benefits we now offer employees should be improved and modified so that even if Agency costs associated with those benefits remain unchanged, the employee can exercise greater discretion in its composition. We also propose the development of a multi-tiered compensation package which allows for a greater variety of benefits as an individual advances within a career through the trainee, journeyman, expert, or managerial levels.

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

IV. REBUILDING THE PSYCHOLOGICAL CONTRACT

Employees generally perceive the Agency as a busy, even frenetic, work environment and they are willing to accept the challenge to work hard, to work smart, and to put in long hours when necessary. They are attracted to the Agency because of the importance of the mission and kept here because of perceived opportunities for personal growth. Thus, each employee begins a career by relying on the Agency to fulfill its part of the contract, which involves helping the employee to progress to potential. Discussions with a large sampling of employees at all grade levels point out that there is a perceived dissonance between what we preach as an Agency and what we practice as an employer. It is relatively easy for some managers to rationalize that perception by pointing out that many components are chronically understaffed, available space has not yet caught up with our needs, demands on our services have grown faster than our ability to provide them, and so on. The bottom line, however, is that at least some of our employees are not convinced that we are determined to fulfill our part of the contract. Our obsession with "need-to-know" has severely constrained communication to the point that it is extremely difficult to communicate to our employees information that would increase their knowledge and understanding of the Agency as a whole. Those employees with the most demanding jobs find it difficult to obtain any training, much less courses that do not directly relate to their specific jobs. Since we promote stellar performers to positions in the chain of command, and continue to hold them responsible primarily for increased production, and only incidentally for developing successors, employees are left to their own devices to develop themselves. The result is that employees will emulate those supervisors who are successful in our system, and thus perpetuate the disparity between our published and our practiced policy.

A. Improved Communications

The perceived lack of adequate communication is a disturbing element that we discovered in the course of canvassing employees about Agency strengths and weaknesses. We hire highly motivated and inquisitive individuals and then keep them largely in the dark about each other's activities and what is happening in the Agency. This applies to Agency successes and failures, human resource initiatives, security issues, and Agency positions on public commentary regarding our activities.

In our opinion there is much to do on this front. One approach, for example, is to institute a classified newsletter, written for employees and focused on their interests. Included would be:

- Background information on and interviews with Senior Agency officials.
- A "security issues" column addressing the nature of Agency concerns, steps taken to address them, and the role of the employee in such matters.
- An "ask the boss" section in which employees could pose questions to senior managers.

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

- Letters to the editor column.

- A "key assignments" section listing changes at the office/COS level and above along with a brief commentary on the individuals involved.

- Short write-ups of major award recipients with select extended articles on particularly major employee accomplishments.

- A "views from abroad" section containing vignettes from overseas stations describing life abroad.

- Articles on human resource initiatives and progress/difficulties toward meeting employee concerns.

- Articles describing contributions of units and employees in various Directorates towards meeting Agency mission.

- A DCI/DDCI column and op-ed page.

The newsletter should be staffed by interested professionals from the various Directorates. To be effective, the staff should have the full confidence of senior management and access to top level managers.

Additional recommendations to improve communications include:

- Open advertisement of problems in need of a solution. A problem of the month could be featured at Agency kiosks. The solution of previous problems, along with the individual or individuals involved would be similarly posted.

- Posters featuring "Portraits of Excellence," spotlighting the exceptional accomplishments of individuals or units should be prepared and posted at Agency kiosks.

- The development of a program of substantive briefings of Agency activities or initiatives which would be open to all employees. Videotapes could be forwarded to the field as appropriate.

- An Agency-wide data bank of individuals involved with specific areas or topics so that individuals can improve cross-Directorate communications and otherwise share information.

B. Seeking Employee Feedback

Any serious program to improve communications must stress both downward communication to the employees and upward communication back to management regarding employee needs and concerns. Based on our review of private sector initiatives in this area, the Task Force recommends that serious consideration be given to:

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

- A speak-up program, whereby employees have direct access to senior management. In the IBM scheme, senior managers rotate into a stand-by status where, in addition to their normal duties, they are accountable for responding to employee concerns within a 24 hour period. While not asked to necessarily fix the problem, they are accountable for gaining an understanding of the degree and nature of employee concerns and initiating steps to address them.

- A standardized attitude survey given to all employees which seeks to sensitize management at all levels to changes in employee attitudes. At IBM, line managers are required to develop an action plan to address problems surfaced by the survey and are held accountable for follow through. This survey could also address managerial competencies and communication to help improve supervisory performance.

- The establishment of a Directorate-level human resource ombudsman at the SIS level. These individuals would provide informal off-line guidance to employees and supervisors alike on a wide range of issues, e.g., environmental concerns, dealing with problem employees, assignment selection, career planning, etc. The ombudsman, a respected senior official with long term career experience, would have direct access to the appropriate Deputy Director, both in terms of seeking assistance and in providing informal feedback on Directorate concerns. At IBM, very senior officials, as their last corporate tour, serve in such a capacity.

C. Addressing Employee Concerns

If communication is the beginning, then action to address employee concerns must be the next step, if we wish to rebuild the psychological contract. Problems that were raised frequently and consistently during the Task Force interviews provided a clear sense of the types of problems that require management attention:

- Begin cultural bonding before EOD by communicating our values in our literature, through programs to educate and win over the families of applicants and by providing support mechanisms and EOD travel for employees settling into the Washington area.

- Recognize that all employees deserve a clean and healthful environment in which to work and modern tools to work with, automated or otherwise.

- Limit the bureaucratic constraints to effectively address human needs when employees and their families are "hurting", for example, making medical evacuation more easily obtainable, and taking steps to answer the particular concerns voiced by officers and their families serving overseas.

- Address employee concerns for "equity" in the allocation of parking and in improving access to mass transit.

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

- Improve our symbolic awards program by expanding and individualizing programs to recognize length of service, career accomplishment, and dedication above requirements.

- Undertake a baseline review of security procedures and regulations to minimize employee hardship and inconvenience while ensuring that security concerns continue to be satisfied.

25X1

- Integrate all Agency employees into a single retirement system separate from the rest of government. This system would have weighted accrual factors. This would remove the stigma of second class citizenship that Agency employees denied CIARDS feel, along with the vulnerabilities associated with participation in the larger federal retirement system. It would also serve as a unifying factor among all Agency employees.

V. CONCLUSION

The recommendations outlined in this report are designed to take us out of the reactive mode of personnel "management" and prepare us for the 1990s through a concerted effort to bring our management practices in line with what we know to be sound precepts that have proven effective elsewhere. The underlying theme of this report is that human resource management must be viewed as a principal aspect of Agency management, not incidental to it. The systemic improvements we accomplish must be effectively communicated to our employees and be seen as part of an overall effort to fulfill our obligations as a fair and caring employer. Any perceived lack of commitment on the part of senior management will reinforce the notion that this is merely another paper exercise. The correct tone must be set and reinforced if we are to avoid adding to the cynicism present in our work force.

We believe that our managers are astute enough to begin the rebuilding process, once they have the tools and incentives to do so. We also believe that our employees are intelligent enough to recognize such efforts and will respond to them with increased trust. Any efforts in this regard should be monitored closely to ensure that the ever increasing demands on the Agency do not override sound human resource principles and begin to erode the progress we make in this area. If the right methods of upward, downward, and lateral communications are established and maintained and mechanisms put in place to respond to changing needs, then the system will have a built-in warning and correction feature that should ensure the healthy work environment we will need to meet our future challenges.

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

APPENDIX A

2 July 1986

MEMORANDUM FOR: Inspector General

25X1

FROM: [redacted]
Inspector, Inspection Staff

SUBJECT: Some Recurrent Personnel Management Issues As Seen Through The Inspection Process

Introduction

This memorandum attempts to sketch out some management and personnel issues that frequently recur in the inspection process. It is more an impressionistic essay rather than a systematic survey--essentially one person's opinion of important issues. It draws on a review of over 20 Inspection Reports and studies prepared by the Inspection Staff over the last three years, on consultations with a half dozen current or former Inspection Staff members, and on my own three years experience on the Staff. Nevertheless, a lack of time and resources precluded a more systematic exploitation of the body of inspection literature.

Of course, the inspection reports reviewed reflect what the inspection teams found at the time of their inspection. Hopefully, the specific deficiencies have been remedied as a result of the IG process. Nevertheless, the recurrent repetition of many of the themes and issues from one report to another suggests that some fundamental Agency management characteristics are involved.

Management

One of the most striking and recurrent generalizations made in various studies is the preoccupation of managers with program and substance to the exclusion of other management concerns. Although this was true in a number of components, one report on a DI component put the issue most succinctly:

> From the beginning of the inspection process, it was clear that in this office everything else takes second place to the effort for current production. In our view, the

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

preoccupation with this is interfering with the Office's ability to fulfill its other functions and management's ability to focus consistently on its other responsibilities. These include keeping communications lines open up and down the chain of command, providing clear guidance and support, planning future programs and developments, providing career development and training, and providing immediate feedback on performance and recognizing exceptional performance.

This preoccupation with current operations, product and program is perhaps an inevitable trait of a can-do, action-oriented Agency but has numerous consequences which are discussed in various inspection reports ranging from neglect of investment in language development to an absence of long-term strategic planning.

A related consequence noted in a number of inspection reports is that managers sometimes have considerable difficulty adjusting from a substantive, program management role to a supervisory, personnel-oriented role. For example, one report on a support office noted that "most supervisors have no problems supervising the production operation, but many would prefer not to have to supervise people." A report on a DO component commented that an oft repeated criticism in the office of its managers was their "inability to make the transition from the field to headquarters, from being action oriented to being management oriented." And a report on a DI office noted that its managers were adept at "dealing with ideas and things rather than people."

The recurrence of this theme in the body of inspection literature raises questions about how we select and train our managers. The inspection reports tend to say little about the first issue--although one is left with the impression that the primary emphasis on selecting managers is on getting the product out rather than on their ability to make the most effective use of people in the process. However, when this issue was explicitly discussed in a DO report, it noted that in those instances where COS's appeared to be poor managers "there were indications that the managers' shortcomings could have been predicted on the basis of prior performance." Regarding training of managers, several inspection reports note that some components have been negative or even hostile to the idea of management training. One report on a collection office, for example, notes that most managers, particularly those in overseas operations, have had little management training. Several reports on the DO heavily underscore the DO's traditional aversion to training for other than CTs, particularly management training. Although the reports note that DO attitudes are undergoing some change, one concluded

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

that "clearly, training has a low priority in the minds of many DO managers and just as clearly those managers are far more likely to release their employees for training in operations than for training in management."

One management trait that comes in for frequent comment in the inspection reports is inadequate formal and informal internal communications in components. Reports on various components in all the Directorates urge managers to move to improve the flow of information and ideas up and down the chain of command. Even components that were previously chided for poor communications by the IG had, in the judgment of subsequent inspectors, not moved far enough in making improvements. For example, a report on an office inspected in 1985 noted that, despite improvements stemming from a 1979 IG report on the office, its management was still viewed by employees as secretive about decisions and purposes. The inspectors urged management to encourage more vertical communications. A report on a DI office, like many other IG reports, pointed to inadequate upward communications and noted that, despite professed open door policies by its managers, employees were reluctant to communicate with them because they viewed them as busy with other priorities. It urged them to undertake more "management by walking around," and regular informal meetings, as well as encouraging more bottom's up initiatives. A report on a DO Division report drew a close linkage between effective management-employee communication and production. It noted:

> If any single generalization arises out of our overseas inspections, it is that effective communication between COS and station officers is the hallmark of the most harmonious stations. One cannot equate harmony with productivity, but often this element of effective communications was absent from the stations which were either less productive or less effective generally. Hundreds of interviews convinced us that effectiveness is improved when COS's invest interest and effort in keeping close to their officers and in ensuring the closest possible collaboration and coordination among those officers.

A second theme that receives frequent mention relates to informal recognition of employee efforts. Although a number of reports note that in part because of the "Excellence" campaign there has been an increase in formal awards and recognition, there still is an apparent Agency-wide aversion to providing more "atta boys" for regular performance. A report on a DI office, for example, called the lack of informal feedback, praise and recognition a major deficiency. A report on another DI office as well as one on a DO component called for more actions to motivate employees such as pats on the back. Yet another DI study quoted one secretary who asked managers to

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

"just say thanks once in a while." The recurrence of such comments in reports--generally in low key to be sure--suggests that the action-oriented Agency manager is either too busy or too insensitive to express appreciation on a routine basis. It may also be that generational change--the apparent decrease in agency personnel conditioned to accepting commands along military lines to a newer group of more self-oriented personnel--is at work here.*

Another management characteristic that frequently comes in for comment in the inspection process is the parochialism and insularity that characterizes many component managements. Indeed, some components are sub-cultures, relatively immune from outside influences. To one degree or another, the reports on at least six different offices in all the Directorates, comment on this phenomenon. One report was typical, describing a conservative and paternalistic management, relatively narrow in outlook with a reluctance to innovate and stimulate change.

The reports make clear that the relative lack of mobility between components and the in-grown nature of some office managements have made a major contribution to this situation. One report is typical in this regard. It said:

> But management is not, with important exceptions, imaginative or innovative. We attribute this general lack of creativity in large part to the career track followed by managers from branch chiefs on up. Almost all have spent their entire careers in the office (emphasis added). By the time they rose to positions where they were able to affect the way things were done, they were so imbued with doing things the way they learned to do them that they now are unlikely to change unless forced to do so.

---

*It may be that the question of generational change and conflict is behind many other management and personnel issues apparent in IG reports. The one study to comment extensively (and perceptively) on this, a report on a DA office, found major conflicts between the demographic and attitudinal backgrounds of older and newer employees in the office. It thought this created a major management challenge for the office's management. This subject may well be worth broader study by the Agency, particularly in view of the substantial influx of younger people into the organization in recent years.

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

STAT

In order to ameliorate component insularity, various IG reports have made numerous suggestions concerning executive development and encouragement of rotational assignments. One report on a support office, for example, urged the DA to reinstitute a program of rotationals. Some IG suggestions, along this line, such as one on a DI office, have met strong resistance from their Directorates.

To be sure, there has been some effort by senior Agency management to assign managers across component lines or outside the Agency in order to ameliorate in-bred office cultures. For example, the former DDI instituted a program of having potential division-level managers serve a stint in a "customer organization." Nevertheless, in reading more than 20 IG reports, this reader comes away with the impression that the single most effective move to improve agency management practices would be a systematic program of management development beginning at mid-career levels that would include rotational assignments inside and outside the Agency.

Career and Personnel Development

A major and recurrent issue in numerous IG inspection reports is deficiencies in the way in which the Agency manages its personnel resources. Usually, this is treated in the reports under the rubric of "career development" even though that term does not fully convey the problems they identify.

The repetitive message in the discussion of "career development" is that management pays insufficient attention to developing our human resources. One IG report is typical in its conclusions:

> The Inspection Team's interviews with office personnel indicate that there are not any set procedures for career development discussions with individuals or for a systematic review of career development plans.....It is clearly not realistic for management to plan or program

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

each step in an officer's career, but management has the responsibility to provide employees with a realistic assessment of their potential, and the options open to them. Furthermore, management should be trying to shape the organization in terms of its longer term needs for skills and talents, and seeking to prepare its future senior officers and managers. A first step would be for management to devote more energy to identifying in broad terms its long term personnel needs.

The problems identified in the various IG reports regarding personnel management and development are four-fold--planning, program, resources and counseling.

Regarding planning, one looks through most IG reports in vain for an indication that component or Agency management is devoting much attention to long-term thinking about personnel needs and development. One specific case in point is the IG report on language, which concluded that, at the time, the Agency has virtually no plan or program for meeting its long term language needs. There is little suggestion that component managements are systematically seeking to identify longer-term personnel needs and trying to develop the skills of current on-board personnel to meet them.

Indeed, the reports suggest that management is in effect frequently abdicating its responsibilities for personnel planning. This is indicated by the recurrent refrain found in various reports that the prevailing view of managers and employees is that "the individual is responsible for managing his own career." The willingness of managers to transfer career development to the employee is consistent with the Agency's tradition of "rugged individualism" and probably consistent with the personality of the many Agency self-directed achievers who rise to senior management positions. But it leaves out in the cold the largest portion of the Agency population--those "average" employees who may lack sufficient aggressiveness or who believe that the Agency will look after them. Another indication of management abdication is in the area of training. Although some components, are at best lukewarm about training, IG reports indicate that many others are generous in granting time for it. However, various reports comment that this is done with relatively little managerial input or guidance regarding who should go into training, what they should take, and why they should take it. One DI report, for example, concludes that training is a "hit or miss proposition" determined by individuals rather than office policy or need. A report on a DS&T office mused that "there is a tendency to permit training that is not particularly relevant to the duties of the project officer concerned."

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

A related concern raised in numerous reports is the absence of a career development program in various offices. Several reports have made specific recommendations or suggestions that programs outlining potential career tracks be initiated. In response to these, the components have indeed made useful changes. In reading the reports, however, one Office's career development system stands out--that of IMS. The IMS report concluded that the IMS career development program is "the most successful plan of its type in the Agency."

Another area that comes in for repeated discussion is the absence of sufficient resources devoted to personnel guidance. Many offices appear to operate their career management functions out of their hats--or more correctly out of their front office management team which, as noted earlier, is usually preoccupied with specific program problems and immediate production goals. Others have not adequately staffed existing personnel management functions. A report on a DO unit, for example, chided the division for shortchanging its PEMs function by assigning relatively junior personnel and fostering a lack of continuity through tours that were too short. In response to IG prompting, some offices have moved to correct this deficiency. In a DI office, for example, a four person Career Training and Counseling Group has been organized within the Executive Staff to give direction, priority and structure to the office's training, career development and recruitment.

Finally, various reports have discussed deficiencies in the way components go about the basic personnel management function of counseling. Many reports indicate that there is often little effective performance and career counseling conducted in many components. Sometimes the function is relegated to relatively low-graded support personnel who are not home based in a component or is done passively, with a manager awaiting an approach by an employee. In other cases, career counseling is undertaken by relatively junior section or branch supervisors, who do not have broad experience nor a good understanding of component personnel needs. In other cases, supervisors appear ill-trained in counseling techniques. A survey of one Directorate's personnel system, for example, noted that in the Directorate "a communications gap sometimes arises between the supervisor and employee. Some supervisors simply do not like to counsel." It also noted that the frequency of internal movement in the Directorate provided a dodge for supervisors to skip counseling or led them to be less than candid since either supervisor or employee would soon be moving on.

In reading IG reports, one gets the impression that too often personnel development in the Agency is seen as something

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

benefiting the individual--and hence a luxury--rather than a necessity for the health and effectiveness of the organization. There would appear to be a logical and direct connection between employee development and an increase in their skills and the Agency's overall long-term productivity. It would also seem to stand to reason that at a time of Gramm-Rudman and looming constraints on staffing levels, the Agency's ability to respond to expanding requirements can only be improved by increased employee effectiveness. It would also seem axiomatic that the CIA--since it must be concerned about security and employee loyalty--would derive benefits from conveying in no uncertain terms that it is committed to its personnel.

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

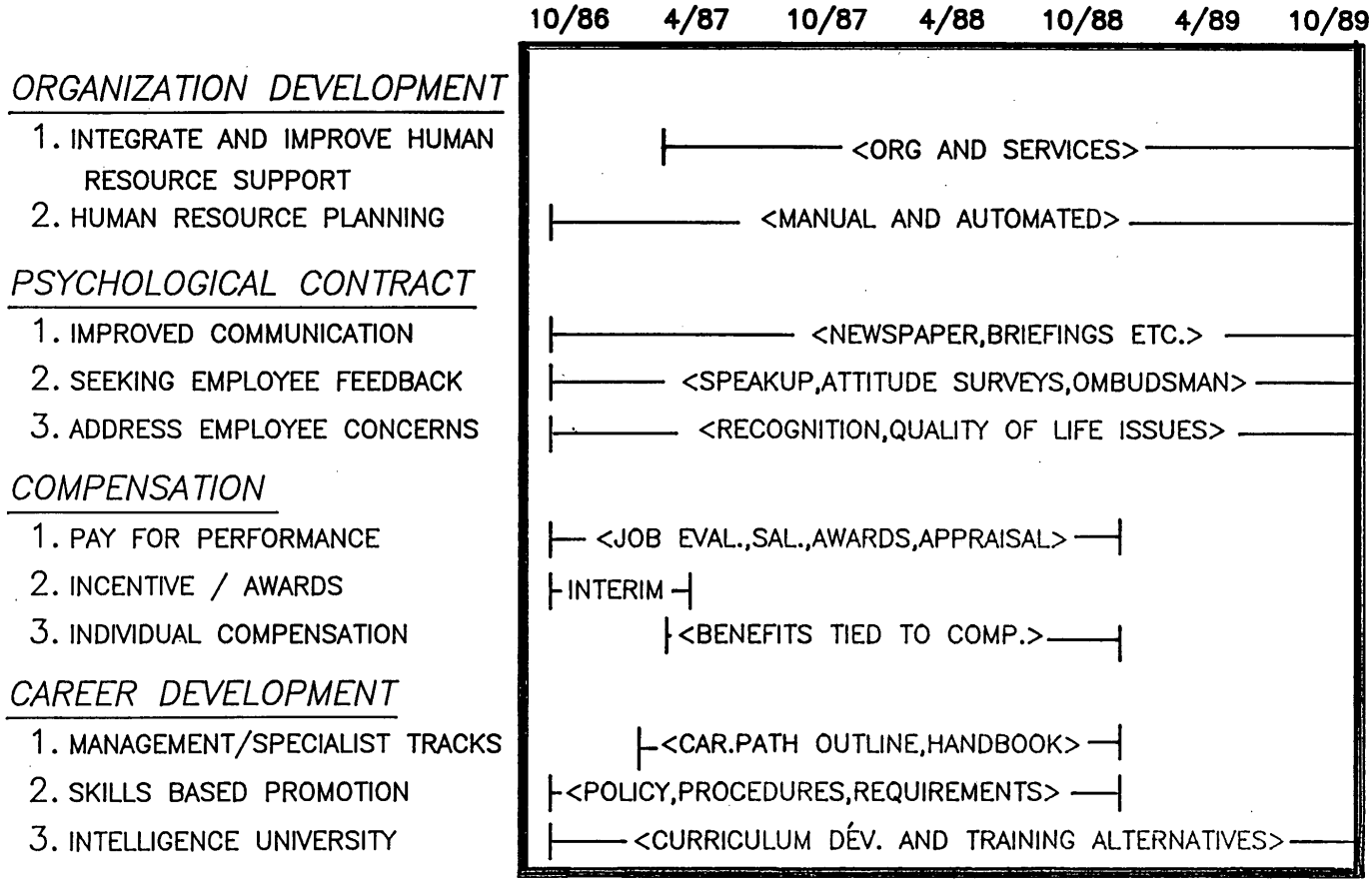
Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

APPENDIX B

Draft Timetable for Implementation



Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

APPENDIX C

EMPLOYEE GENERATED INITIATIVES

In the course of our discussions and interviews with Agency employees, we obtained from them a number of suggestions on ways to improve the Agency. We are submitting selected suggestions as an appendix to our report in order to provide management with a flavor of the concerns expressed by our employees. We pass them on as examples of improvements which, on the surface, appear feasible and should be further explored.

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

25X1
Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Page Denied

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Agency-Paid Travel Insurance

The Agency should purchase a group travel insurance plan to cover all employees engaged in official travel. While employees may privately purchase travel insurance, it is not always possible to get coverage for the complete TDY. Thirty percent of travel orders are modified while enroute making previously purchased insurance inoperable and no private insurance plan is capable of handling TDY's that require the use of aliases.

The Office of Personnel can negotiate for the purchase of a group plan based on the average number of travelers per year, number of domestic or foreign TDYs, and average length of TDY. Names and precise destinations would not be required. Previous staff work on this initiative indicated that $50,000 or $100,000 of insurance per employee could be acquired at a very nominal cost to the Agency.

Alternative Scheduling

We can create a greater diversity of work times and thus attract that segment of the population which is unable to work a five-day week during the standard hours.

Expansion of an office's hours via non-standard work schedules provides additional hours of quiet for productive work, expands customer access, and requires less overtime for the processing of intelligence. Longer hours would also be a more efficient use of our permanent plant. Suggested schedules are:

- Flextime, including 5/4-9 or a four-day 40-hour work week schedule. This is now available but not encouraged.

- An additional full or half shift during time periods not currently covered. These hours tap into a population that is not normally recruited by the Agency. Off-standard shifts also enable two-job households to have prime time coverage with their children.

Focusing on people who can work less than a 40-hour week may uncover a large pool of untapped talent and put us in a better position to compete for the smaller labor force of the nineties. Suggested programs are:

- "Three-season"/non-summer employees. Summer LWOP would accommodate those people with school-age children or other summer vacation problems.

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

- Individuals whose work is seasonal, such as teachers, could have fixed contracts for specific periods of the year.

- At-home part-time work that can be quantified, such as scoring tests or answering applicant letters, would retain interest and loyalty of employees who are on extended leave for reasons such as caring for sick relatives or children.

- Job sharing gives an office full-time coverage while attracting people who wish to work less than full-time.

- Standard four-day or 35-hour week will attract another group of people.

Annual Leave Buy-Back Program

One way to recognize the dedication of our employees, who for each of the last five years have collectively forfeited an average of 100,000 hours of annual leave, would be to institute a buy-back program. The Agency would establish a minimum amount of leave that employees must take. The dollar value of any unused leave over the minimum that would normally be forfeited would be invested by the Agency on the employee's behalf in government securities. These could then be converted to cash by the employee as they matured.

Back to School

If we wish to develop multifaceted employees with enhanced and new skills, then we should improve our financial support for employee academic activities that may not be directly job-related. To encourage more employees to expand their skill and knowledge base in areas of interest to the Agency, we could define "work related" courses in a broader way and make financial sponsorship easier to obtain.

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Benefits for High Travel Jobs

Many assignments require employees to travel extensively both domestically and abroad. Federal per diem is designed to cover basic subsistence during those periods but we believe that extensive travel in itself has other tolls not directly tied to meals or lodging. We believe we owe our employees the following:

- Provide "X" hours of excused absences for travel that covers three or more time zones to allow the biological clocks of employees to readjust. This should be connected to the amount of time spent at the destination The hours would be used within three days after return to point of origin.

- Reimburse membership costs of red carpet airline clubs for employees occupying positions that require travel over "Y" miles per year.

- Provide luggage to employees whose positions require extensive travel. We further recommend that the luggage be purchased in small lots to provide variety and avoid the possibility of any specific type being labeled as "Agency."

- As an incentive to attract people for high travel assignments (25% or more time spent in travel status) consider establishing a salary differential or addition to compensation.

- Grant two hours of compensatory leave for each day of TDY travel to recognize the fact that a large percentage of TDY travel is conducted on the employee's time.

- Allow travelers to take advantage of benefits which accrue to "frequent fliers."

Civilian Reserve Program

Improve the Agency Civilian Reserve Program by:

- better defining the emergency or crisis under which members are recalled;

- eliminating the one-year-out-of-service-following-retirement rule;

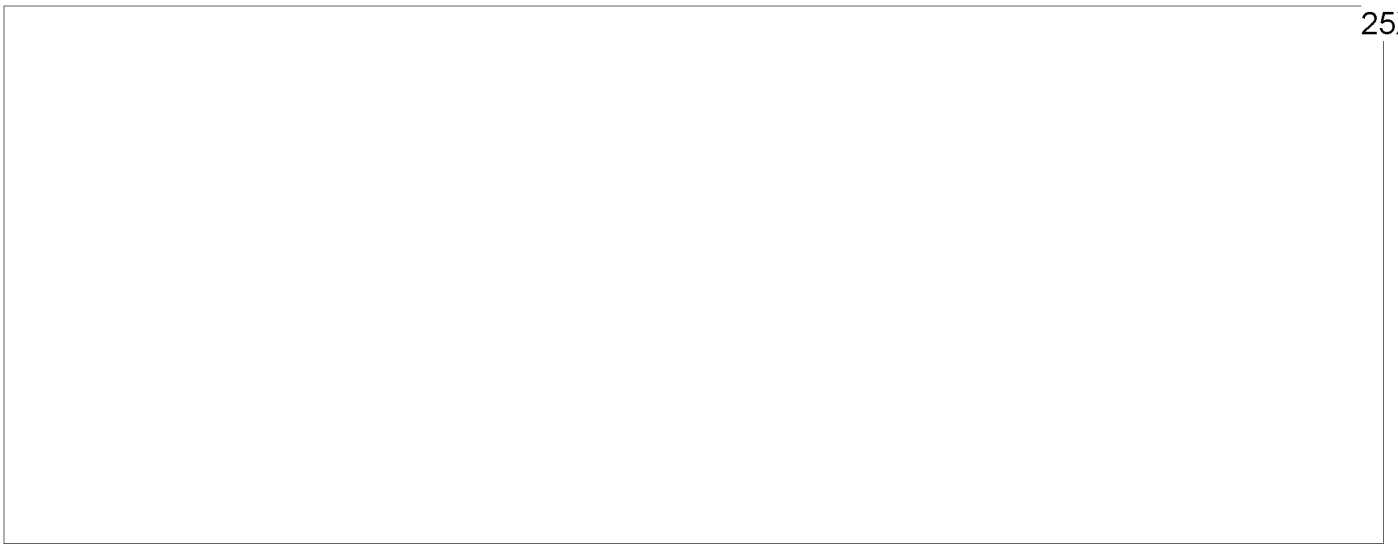
- reducing the bureaucratic processing/approvals required to recall a member of the cadre; and

- establishing a fee schedule which will eliminate compensation as a subject of discussion at time of recall.

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

25X1

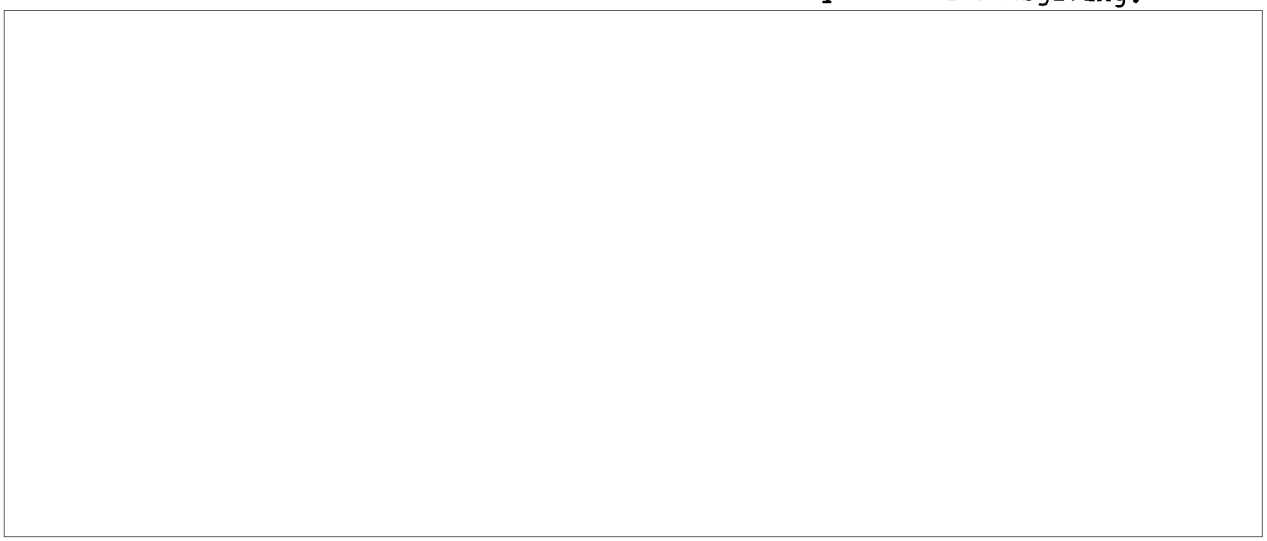


Core Holidays and Flexible Holidays

To permit employees greater flexibility in leave usage, institute a system whereby employees could elect to work on a holiday and take another day off in its place within the same year.

The number of holidays would remain the same but some would be designated as core holidays while others would be designated as flexible holidays. For instance, an employee might decide to work on Columbus Day (if this were designated a flexible holiday) and be absent the day after Thanksgiving.

25X1



Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Critical Language Skills

Institute an upward mobility program and send participants to several years' training for languages in which we have little or no in-house capability and a long-term need. This will reduce language shortages in particular areas and provide career growth opportunities for some talented employees.

Cultural Bonding

Provide assistance in integrating the new employee into the Agency culture and help him or her adjust to the local area. People who, with their families, have acculturated quickly usually are more productive.

First, signal to applicants that the Agency cares for its employees by inviting spouses to accompany applicants for the interview and encouraging them to attend the FELO briefing which would include information on housing, cost of living, schools, transportation, and the effect of security on lifestyle and one's family. Other important touches would include:

- Meeting applicants at the airport and seeing them off.
- Authorizing rental cars instead of taxis during invitee travel.
- Providing attractive interview rooms.
- Providing an expense account for interviewers which would allow for lunch/dinner with applicants.
- Treating the interview as an "event" with some pre-planning.
- When appropriate, such as when spouse cannot come, conducting the interview in applicant's home.
- Reducing anxiety by escorting applicants to and from polygraph and medical examinations.

Second, after EOD a trained mentor should be assigned to new employees. The mentoring activity would be acknowledged in PARs and there would be provision for feedback/communication with someone in the EOD's office.

Third, the "CT" program should be expanded to all employees. The cultural bonding of employees training together for several weeks and learning about the Agency as a whole is invaluable in terms of developing employee commitment, networking, and overall effectiveness.

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Day Care for Sick Children

Expand our current plans for a day care center to include a facility for sick children.

Such a facility would reduce the amount of leave taken by employees to care for sick children. Some organizations across the country are now providing well and sick day care. Often, an employee takes off to care for a child who has a fever or sniffles rather than a serious illness. A day care center that could accommodate children with colds and other minor ailments would permit employees, who now must remain at home, to come to work.

Employees as Recruiters

Encourage employees to recruit, particularly in scarce skills areas. Internal referrals are one of the best sources for identifying applicants who survive the selection process. The Agency would benefit from the increased intake and employees would have an increased sense of accomplishment.

Publicity concerning this initiative could be through the media currently in use, but should be repeated often. There could be a form of recognition designed for the employee who successfully recruited. There could even be timed contests between Directorates with much publicity on Directorate needs, applicant numbers and the loss ratios in processing.

Enhanced Certificates of Merit

The Certificate of Merit is the lowest level of Honor and Merit Awards and is given for sustained superior performance or a single act of high merit. We believe the Certificate of Merit is underutilized as a symbolic award, because approval of the award is retained at the Directorate level. It could be delegated to the component, where it could be more effectively used with a minimum of administrative work to quickly recognize excellent current performance and encourage more of the same.

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Equality of Benefits

Ensure that the benefits paid to part-time employees are proportionately identical to those paid full-time employees. Traditionally, due to the limited number of full-time cover positions overseas, many of our career employees, who are also employee spouses, are shown on official records as serving part-time (the 39-hour-a-week employee). These part-time employees are not eligible for the same types of benefits provided to full-time official transfers. This dichotomy occurs because in the past we have followed the Standardized Regulations for the provision of allowances and differentials, which disallow most benefits for part-timers because they are not normally considered career employees.

Ethics for EODs

In a society which does not seem to esteem the same ethical values that the Agency requires, the entry-on-duty orientation is a good time to impress on our employees what we expect of them. The message of a "CIA Ethics Course" for all EODs should be, "This is how CIA conducts itself and we take this very seriously." The course should be positive; but it should also be replete with concrete examples of Agency disciplinary cases and what happened to the employees involved.

Examples of topics which should be included are shoplifting, price tag switching, credit card abuse/fraud, drug and alcohol abuse, child and spouse abuse, sexual deviance, expense account padding, falsifying payroll information (claiming not-worked overtime, not signing for leave used, etc.), and skimming agent compensation.

Excess/Surplus Equipment

Before turning in excess/surplus equipment to GSA for subsequent auction, the Agency should conduct its own internal auction of these items as a new benefit for employees.

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Expand the Co-Op Program

The Co-Op Program gives both the component and the student an opportunity to evaluate each other before making a long-term commitment. An analysis of the program indicates that it helps us get some career employees in specialized fields even though our salary offerings after graduation are not competitive. While the excitement of our mission is important in initially attracting applicants, the ability to work in the intelligence field as an undergraduate apparently helps cement the desire to make CIA a career. With an overall success rate in terms of career conversion of over 60%, expanding the number of schools and students participating in the Co-Op Program appears a worthy endeavor.

Fast Track Applicant Processing

Implement Project Fast Track, an experimental methodology for moving quickly through the system those applicants who are adjudged "easy" to get through processing, while saving the "hard" cases for last. This can help break the logjam in processing and get more people on board.

25X1

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5
CONFIDENTIAL

Five-Year LWOPs

To reduce attrition and to provide managers with private sector experience, establish a program to allow employees a 5-year LWOP to accept private sector positions at higher compensation while continuing to accrue government retirement benefits.

A growing number of resignations are occurring in the 40-50 age group. Many are senior Agency managers whose resignations are a significant resource loss. Financial reasons are the prime reason for resignation. We might not permanently lose such employees if we had a program that allowed an employee to take up to 5-years of LWOP to provide them with an opportunity to earn a higher private sector salary and still accrue federal retirement credit for that period of time upon return to government service for a specified number of years.

The benefit to the employee would be the opportunity for increased compensation to meet education and family expenses during the peak need without having to sever the relationship with the Agency and lose tenure. The benefit to the Agency would be to have a proven employee return recharged with a broader perspective and background.

Full Retirement Funding by Agency

Retirement contributions for each Agency employee today total approximately 14% of salary; 7% by employing agency as intra-governmental transfer and 7% by employee from appropriated funds which are taxed at time of contribution. On behalf of the employee, the government could contribute the entire 14% and treat the amount as an intra-governmental transfer. Appropriated funds are included in the federal deficit calculation--intra-governmental transfers are not. This could be administered three ways:

- Leave salaries as they are, which would effectively grant an across-the-board 7% pay raise.

- Cut all salaries by 7%, take the difference and add one or two additional steps at the end of the pay scale so over the long term employees could ultimately get back the 7% and effectively earn 7% more than other federal employees.

- Cut all salaries by 7%, hold the 7% value as an additional pool of funds that could be allocated as a special pay for performance bonus.

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Health Facilities

Mindful of the need to maintain health and fitness, we encourage all of our employees to exercise yet many buildings have no facilities at all. We need to provide additional facilities and programs for a minimum level of exercise or contribute a particular amount of money toward joining a private recreational facility so that our employees can stay healthy.

25X1

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Initial Clerical Assignment Review

Establish a procedure whereby clerical employees are contacted 30 days after starting their initial assignment to determine whether the placement has been successful. If not, the component personnel officer would be alerted and tasked with seeking a more appropriate assignment. In many cases, the requirement to remain in a position for one year leaves employees with few alternatives to resignation. This is especially true of clericals and secretaries who are in great demand outside the Agency.

Interim QSI Upgrade

As an interim measure until the new pay-for-performance system becomes effective, it is recommended that approval of QSI's at all grade levels be delegated to Office Directors. This would improve management's flexibility and better motivate employees by reducing the time between performance and award.

Length of Service Recognition

At a time when a federal career is not viewed with the same respect as in the past, we believe it is important to revitalize our efforts to symbolically recognize long-term Agency and Federal employment. Length of Service Awards provide us with the opportunity to unequivocally tell our long-term employees in less glamorous career tracks that they are special and important to the work of this Agency. This will become increasingly important as we implement a pay-for-performance system that removes longevity from the compensation calculation. We propose several enhancements to our present longevity awards program to increase its impact:

- In addition to Length of Service Certificates, tie tacks and pins, we would add to the badge a letter or stripe indicator so that everyone is aware that this is an employee with some vested time in the organization.

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

- For a major Length of Service award of 25 years, we recommend a "this is your career" type of presentation at the component's periodic promotion ceremony or even a special presentation with senior component managers and the employee's immediate family. Such a presentation would be similar to the Career Honor and Merit Awards ceremonies including a complete review of the employee's career with appropriate anecdotes.

- Special efforts should be taken to ensure that appropriate Career Achievement Awards, especially if they include rosettes or ribbons, are presented to employees while they have years of service left, not at retirement. If the employee is still on board when the presentation is made, the employee will receive a psychological boost that will positively impact on his or her work-life and the coworkers will have a role model to emulate.

Manager of the Year Awards

Establish Directorate Manager of the Year awards to nurture the development of effective management skills among line managers. Such an award would send a message that the Agency is committed to managerial quality.

Matching Savings Plans

One of the positive features of the new Federal Employees Retirement System is the thrift plan that includes a matching employer contribution and significant tax advantages. It is proposed that the Agency upgrade its Voluntary Investment Program to 401K status to provide the same advantage to employees who do not change to the new retirement system. This initiative may help counter a potential negative effect of the new tax law--increased attrition in some occupations that are highly competitive in the private sector. The reduced tax rates make the higher salary offers by private sector companies far more attractive. Ensuring that all employees have an opportunity to take advantage of the tax savings available through a 401K program would help reduce the attractiveness of some private sector salary offers.

This initiative could be approached in two parts, 401K status and then matching funds if deemed more appropriate. Upgrading the VIP plan to 401K status with a 50% match (10% by employee and 5% by the Agency) would offer tremendous retention leverage.

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Overtime Policy

When the rule that 8 hours of work be donated before overtime could be paid was repeated, it was not replaced with a uniform policy providing equity Agency-wide. As a result, some components instituted an overtime policy requiring compensation in money or time off for all employees when overtime work was necessary. Other components maintained the Agency culture of expecting employees to remain on the job until the work was done without overtime pay or compensatory time. This lack of uniformity in overtime policy is highlighted whenever employees from different components and occupations work on projects together. A clear Agency policy should be issued.

Personal Computers

Subsidize the purchase of personal computers for employees; in so doing, reduce fears of automation and ensure computer literacy of all employees.

Choice of PCs could be limited to those used by the Agency to ensure that the purchase is work-relevant and to obtain group rates.

Portrait of Excellence

Regularly provide a "Portrait of Excellence" by publicizing success stories of Agency employees. To do so would motivate and encourage entry-level talent, to the benefit of the Agency. It would also reinforce other programs by demonstrating the skills and initiative required to advance.

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Project Participation Citation

Provide an award for team participation. In an era that will increasingly require drawing on many functionally unrelated resources to attack specific problems this is particularly necessary. The Secretarial Task Force and Human Resource Task Force are two human resource related examples of what is becoming an increasingly routine use of cross-directorate skills to address Agency-wide concerns without assigning individuals to the task full-time. The many people who helped the Task Force and contributed to the success of these efforts should be recognized.

Promotion Honors

Establish a program wherein ALL promotions will be presented in the auditorium by the respective Deputy Director, thereby publicizing employee accomplishments and acknowledging the employees' value to the Agency. This would increase morale and dedication and also increase the sense of "Family." To the extent possible, the family of the promotee should attend. Certificates and Incentive Awards could also be given during these ceremonies.

Real Estate Support to New Employees

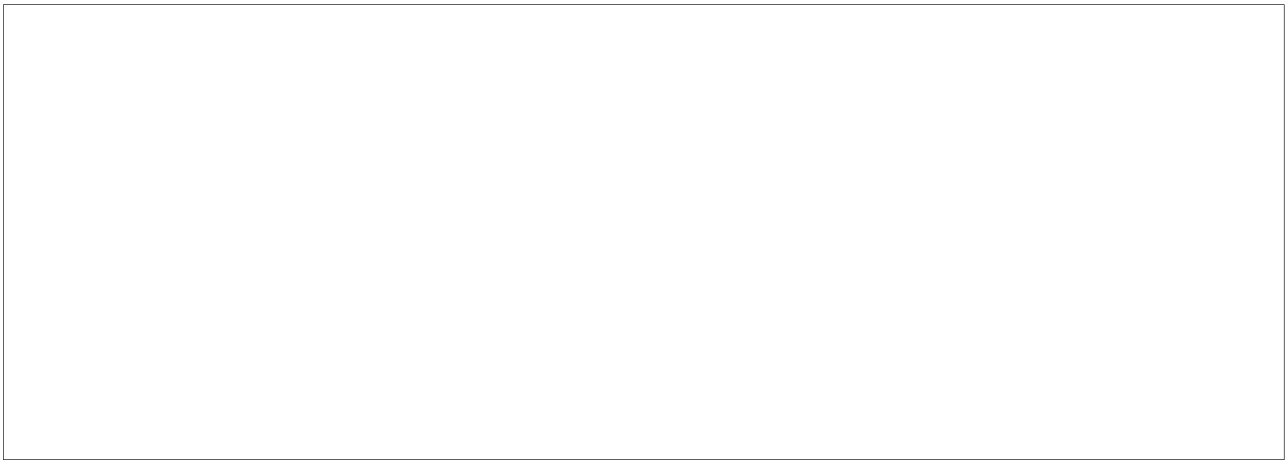
Provide real estate support to new employees as inducement to those from outside the immediate area to make the move. Housing in this increasingly urban area with its poor public transport to CIA sites is very expensive; this is a large disincentive to many and quite a financial shock to people not from the East or West coast.

25X1

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

25X1



Revised Independent Contractor Rules

Although we are aware of the reasons which led to our current policy on rehiring annuitants, it is nevertheless recommended that the independent contractor rules be revised to permit components to rehire Agency annuitants as necessary, regardless of whether they are in a designated one-year exempt category. This is needed to help alleviate the severe personnel shortages.

Sabbaticals with Contractors

Establish opportunities for sabbaticals in the private sector for employees in various fields. This would increase the occupational skills level and sharpen awareness of private industry practices. There exists the risk that some employees may not return, however, the possibility of a continual infusion of new ideas back into the Agency following the sabbatical is worth the risk.

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Skills Incentive Program

Develop a program similar to the language incentive program to encourage employees to maintain currency in specialties not being used in current positions - engineers, chemists, lawyers, etc. To do so would increase flexibility in meeting Agency-wide mission needs in an era of declining resources. It also would increase bonding and help develop a corporate view.

Implementation would require the following:

- Identification of individuals who have switched careers within the Agency and are interested in a program seeking to maintain currency in their previous specialty. It would be required that employees agree to serve a tour in that specialty if their services are needed.
- Development of journeyman performance standards for Agency occupations and measurable tests of performance capabilities.
- Design and implementation of training mechanisms to allow employees the opportunity to bring up or maintain skills.
- Annual tests and payment of a reward or bonus to those who qualify.

Skills Match Program

Establish a program to better match skills of employees to Agency needs. This will help optimize use of employee skills and talents in this era of declining resources.

During the ranking process a determination should be made:

- if there are employees in positions where their skills and background are not being used to best advantage
- if there are employees performing at barely satisfactory level even after a normal period of training.

As part of this identification process, a profile of the individual will be completed that describes the individual's strengths and weaknesses with recommendations as to the type of job and/or environment that would lead to better use of the individual's skills. These profiles would be consolidated at the directorate level and the employees would be counseled as to the Panels' findings. An active cross-directorate placement program could

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

then be activated to improve the skills match. This program must be publicized as a way to make the most of each individual's capability; not to unload problem cases, nor should it be considered a demotion of or punishment against those people identified.

Spouse Recognition Program

Although we talk about the importance of spousal support to Agency employees' careers and say we recognize the unique hardships and stress involved in being the spouse of an intelligence professional, we have failed to formalize any Agency program to say "thank you." Private industry customarily does this by paying for spousal attendance at conferences and conventions or by providing products at reduced cost, etc.

We propose the establishment of a special Certificate of Appreciation which could be presented with ceremony at the time of the employee's retirement. This would recognize the contribution of the spouse especially where special circumstances, such as extensive travel and/or assignments to hardship posts, caused serious disruptions to the family's lifestyle.

25X1

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Temporary Retention of Applicant Skills Information

Code applicant capabilities according to skills bank/critical skills requirements and maintain for two years. It is faster to recontact an applicant who, by definition, is interested in working for the Agency rather than searching for a new person.

A simple program could be written to retain the skills, name and recontact information.

TV Monitored News

Place TV monitors over elevators and in cafeterias and broadcast information to inform employees about the latest policy changes, benefit changes and options, vacancy notices, and information on upward mobility programs and requirements. Employees should be encouraged to ask questions and make suggestions; these would be addressed during the broadcasts.

Also recommended is the development of automated kiosks in accessible places such as the library. This would allow employees who do not have their own terminals to access information on services and benefits available such as insurance information, Employee Assistance Programs, OTE training catalog, retirement information and information regarding the VIP account, the Credit Union and vacancy notices. Although AIM might be used to bring the same information directly to employees at their desks, there will still remain many occupations where AIM access is not readily available and we should not overlook the needs of these employees.

Unit Citation Improvements

Work efforts that go far beyond what is normally expected should be recognized and encouraged. If we judge by the small number of unit citations handed out today, this is not the case. Yet each year we say we produce more intelligence, publish more reports, accomplish more specific tasks or attain greater production than ever before. We need to say thank you more often.

We propose that OP develop and provide operating officials with directions and guidance to increase the use of unit citations, coupled with the delegation of authority to operating officials to approve such awards. We also believe the most impressive way to present unit citations is to have the appropriate Deputy Director come to the work place unannounced to the employees being honored and personally make the presentation.

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5

25X1

25X1

Vacancy Notices

Rework the Vacancy Notice system to list by grade or occupational category; automate the entire system [redacted] In the process, improve the notice by including the position description. Increased timeliness of access would provide more timely responses for advertising offices. Reformatting and ease of access would save employee scanning time. The reformat also would improve communication of actual position duties and skills required, thus reducing responses from unqualified employees.

Ultimately it might be possible to allow direct input by components and make it easier for employees to shop their files. This initiative would improve the employee's ability to seek out assignments that might help him or her qualify for career advancement.

All applicants for advertised vacancies should receive the courtesy of a written "thank you," whether or not they are selected for interview. This should eliminate situations where employees learn of their non-selection only when someone actually takes the position in question.

Van Pools

Currently it is not possible to provide parking for all employees and Agency buildings are not readily accessible by public transportation. For these reasons, the Agency needs to provide assistance to employees to get to and from work.

One solution may be for the Agency to procure vans and provide them free to employees for use in van pools.

Sanitized Copy Approved for Release 2011/08/25 : CIA-RDP91B00874R000100300004-5